

BASE PROSPECTUS dated 1 March 2022

**MEMEL CAPITAL PCC**

*(a protected cell company incorporated with limited liability in Jersey)*  
and

**ALPHABETA ACCESS PRODUCTS LTD**

*(a company incorporated with limited liability in Jersey)*

**USD 50,000,000,000 Secured and Unsecured  
Note programmes**

*This Base Prospectus describes the USD 50,000,000,000 secured and unsecured note programme (the "**Programme**") of (i) Memel Capital PCC ("**Memel**"), acting in respect of its protected cells from time to time and (ii) Alphabeta Access Products Ltd (previously named Oder Capital Limited) ("**Alphabeta**").*

Under the Programme, each of Memel acting in respect of its protected cells from time to time and Alphabeta, as specified in the relevant Issuance Document (as defined below) (each of Memel acting in respect of its protected cells from time to time and Alphabeta, an "**Issuer**" and together the "**Issuers**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue secured notes ("**Secured Notes**") and unsecured notes (the "**Unsecured Notes**" and, together with the Secured Notes, the "**Notes**") on the terms set out herein, as further detailed in the applicable final terms ("**Final Terms**") or pricing supplement ("**Pricing Supplement**" and, together with the Final Terms, the "**Issuance Documents**" and each of them an "**Issuance Document**"). This Base Prospectus should be read in conjunction with the applicable Issuance Documents prepared in connection therewith, which will include details of the relevant Issuer in respect of the relevant Series of Notes. The aggregate principal amount of Notes outstanding under the Programme will not at any time exceed USD 50,000,000,000 (or the equivalent in other currencies).

References in this Base Prospectus to (i) the "Issuer" shall, unless otherwise specified, be construed as references to each of the Issuers separately; (ii) the "Notes" or a "Series of Notes" are respectively references to the "Notes" or "Series of Notes" issued by the relevant Issuer and (iii) the "Issuer" in respect of any particular Series of Notes are references to the Issuer of such particular Series of Notes.

Each Issuer will be solely responsible for the Notes issued by itself and such Notes and any obligations in connection thereto will not be the responsibility of any other Issuer under the Programme or any other person. In particular, for the avoidance of doubt, an Issuer shall not be responsible for and shall not be subject to any obligations in respect of the Notes issued by any other Issuer under the Programme and shall have no rights in connection thereto.

Noteholders (as defined below) in respect of a particular Series of Notes shall have recourse (within the limits provided for under the Programme) only against the relevant Issuer in respect of such Series of Notes and shall have no rights in respect of any other Issuer under the Programme or any other person.

Each Series of Notes issued by an Issuer (and relevant Series Assets (as defined below) in respect of such Series of Notes) shall be segregated from any other Series of Notes issued by the same Issuer (and the Series Assets (as defined below) in respect of any other Series of Notes), as specified below. In particular, (i) in respect of Notes issued by Alphabeta, segregation between various Series of Notes issued by Alphabeta (and relevant Series Assets (as defined below)) shall be based on the contractual provisions included in the Transaction Documents in respect of the

relevant Series of Notes and (ii) in respect of Notes issued by Memel acting on behalf of any of its protected cells, segregation between various Series of Notes issued by Memel acting on behalf of any of its protected cells (and relevant Series Assets (as defined below)) shall be based on statutory provisions applicable under Jersey law in respect of protected cell companies (as specified below) and on the contractual provisions included in the Transaction Documents in respect of the relevant Series of Notes.

In particular, in respect of Notes issued by Memel, each Series of Notes is issued by Memel acting in respect of its relevant protected cell specified in the relevant Issuance Document for such Notes. Each such protected cell is a protected cell of Memel, being a Jersey protected cell company, and the Noteholders in respect of a specific Series of Notes issued by Memel will only have recourse to the assets from time to time attributable to the protected cell represented by Memel in respect of the relevant Series of Notes as specified in the relevant Issuance Document for such Notes. Holders of Notes will not have recourse to any assets attributed to any other protected cell of Memel other than such protected cell or any assets held by Memel in its own capacity.

The Issuer at its discretion, in respect of a Series, may either (i) purchase bonds or notes of any denomination, type or issuer or other assets as specified in the relevant Issuance Document ("**Underlying Assets**") and/or (ii) obtain exposure to the reference assets specified in the relevant Issuance Document (the "**Reference Assets**") by either entering into a swap or other derivative (a "**Swap**") with Morgan Stanley & Co. International plc, any of its affiliates or any other financial institution (the "**Swap Counterparty**") which references the Reference Assets or as otherwise specified in the relevant Issuance Document. Notes issued on the basis of Final Terms or a Pricing Supplement that are to be admitted to the Euronext Official List and to trading on its Regulated Market (as defined below) or GEM (as defined below), as applicable, will not be linked to Reference Assets (unless such Notes are issued pursuant to a Series Prospectus (as defined below)).

Notes will be issued in Series (as defined in "*Overview of the Programme*") and each Series will either consist of Secured Notes and Secured Series Custodian Notes only (each, a "**Secured Series**") or Unsecured Notes and Unsecured Series Custodian Notes only (each, an "**Unsecured Series**" and, together with the Secured Series, the "**Series**"). Each Secured Series (other than the Secured Series Custodian Notes) will be secured by a charge on and/or assignment of and/or other security over or in respect of (i) Underlying Assets owned by or held on behalf of the Issuer and (ii) any sums held in a cash account (if any) for such Series and (iii) all proceeds of, income from and sums arising from such Underlying Assets and all sums held by or on behalf of the Issuer in relation to such Secured Series; and (iv) the Issuer's right, title and interest under any agreement under which the Issuer enters into the Swap or Swaps and/or by which the Issuer purchases the Underlying Assets in respect of the relevant Secured Series, the Agency Agreement (as defined in "*Terms and Conditions of the Notes*"), the Custody Agreement (if applicable) (as defined in "*Terms and Conditions of the Notes*"), any other Related Agreement or Transaction Document (each as defined in the "*Terms and Conditions of the Notes*") to which the Issuer is party and such additional property as may be described in the relevant Issuance Document (together, the "**Mortgaged Property**"). The Secured Series Custodian Notes of a Secured Series will not be secured by or have recourse to the Mortgaged Property for that Series or any other asset.

Each Unsecured Series will not be secured and the Unsecured Notes (other than the Unsecured Series Custodian Notes) will rely for their payment on, *inter alia*, (i) Underlying Assets owned by or held on behalf of the Issuer, (ii) any sums held in a cash account (if any) for such Series, (iii) all proceeds of, income from and sums arising from such Underlying Assets and all sums held by or on behalf of the Issuer in relation such Unsecured Series; and (iv) the Issuer's right, title and interest under any agreement under which the Issuer enters into the Swap or Swaps and/or by which the Issuer purchases the Underlying Assets in respect of the relevant Unsecured Series,

the Agency Agreement, the Custody Agreement (if applicable) and any other Related Agreement or Transaction Document to which the Issuer is party as may be described in the relevant Issuance Document (together, the "**Unsecured Series Property**" and, together with the Mortgaged Property, the "**Series Assets**"). The Unsecured Series Custodian Notes of an Unsecured Series will not have recourse to the Unsecured Series Property for that Series or any other asset. All present and future creditors of specific Series Assets of a Series (including service providers for such particular Series) will have their recourse limited to the Series Assets of such Series. The Unsecured Series Property of an Unsecured Series will not be ring fenced against the claims of other creditors by virtue of having the benefit of any security. There can be no guarantee that unspecified third parties will not make any claims against the Unsecured Series Property, and that any Unsecured Series Property will be available to meet the claims of the holders of Unsecured Notes (the "**Unsecured Noteholders**") at any time.

Claims against the Issuer by holders of the Notes (the "**Noteholders**") of a particular Series will be limited to the Series Assets applicable to that Series. If the net proceeds of the enforcement or liquidation of the Series Assets for any Series are not sufficient for the Issuer to make all payments due in respect of the Notes of that Series, the other assets of the Issuer will not be available for payment of any shortfall arising therefrom. Any such shortfall shall be borne by Noteholders of each Series as specified in the relevant Issuance Document. The Issuer will not be obliged to make any further payment in excess of such net proceeds and accordingly no debt shall be owed by the Issuer in respect of any such shortfall remaining after either (i) in the case of Secured Notes realisation of the Mortgaged Property and application of the proceeds in accordance with the Trust Deed or (ii) in respect of Unsecured Notes, liquidation of the Unsecured Series Property and application of the proceeds in accordance with the Trust Deed. None of the Note Trustee, the Security Trustee (if applicable) or any Noteholder may take any further action to recover such shortfall.

This Base Prospectus constitutes a base prospectus as contemplated by Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended and supplemented from time to time (the "**Prospectus Regulation**"). This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuers or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

Application will be made to The Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for certain Notes issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to the Official List of Euronext Dublin (the "**Euronext Official List**") and admitted to trading on its regulated market (the "**Regulated Market**"). The Regulated Market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "**MiFID II**"). Such approval relates only to the Notes which are to be admitted to trading on the regulated market of Euronext Dublin or other regulated markets for the purposes of MiFID II and/or which are to be offered to the public in any Member State of the European Economic Area or in the United Kingdom.

This Base Prospectus will be valid for admissions to trading on a regulated market by or with the consent of the Issuers for 12 months from the date of this Base Prospectus. The obligation to supplement it in the event of significant new factors, material mistakes or material inaccuracies will not apply after the date falling 12 months from the date of this Base Prospectus.

This Base Prospectus and any supplement to this Base Prospectus will be published in electronic form on the website of Euronext Dublin ([live.euronext.com](http://live.euronext.com)).

Application may also be made to Euronext Dublin for the Notes issued under the Programme for the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on its Global Exchange Market (“**GEM**”). This document constitutes “Base Listing Particulars” for the purpose of such application and has been approved by Euronext Dublin. The GEM is not a regulated market for the purposes of MiFID II. Such approval relates only to the Notes which are to be admitted to trading on the GEM.

Additionally, application will be made to the Global Market of the Gibraltar Stock Exchange (the “**GSX**”) for Notes issued under the Programme within 12 months of the date of this Base Prospectus to be admitted to its MTF market (the “**Global Market**”). References in this Base Prospectus to Notes being “listed” on the GSX (and all related references) shall mean that such Notes have been admitted to the Global Market. The Global Market is not a regulated market for the purposes of Directive 2014/65/EU.

However, unlisted Notes may be issued pursuant to the Programme and the Programme provides that Notes may be listed on such other stock exchange(s) outside the EU or markets as may be specified in the relevant Issuance Document. The relevant Issuance Document in respect of the issue of any Notes, will specify whether or not application has been made for such Notes to be (i) listed on the Euronext Official List and admitted to trading on the Regulated Market or admitted to trading on GEM, (ii) admitted to the Global Market or (iii) listed on or admitted to trading on any other stock exchange or if the relevant Notes will be unlisted.

Notes to be admitted to the Euronext Official List and to trading on the Regulated Market or any other regulated market for the purposes of MiFID II may only be issued (i) by way of Final Terms under this Base Prospectus or (ii) pursuant to a series prospectus relating to the Notes that incorporates by reference to whole or any part of this Base Prospectus (the “**Series Prospectus**”).

Notes may only be issued by way of Final Terms under this Base Prospectus where (i) a public offering of the Notes is not intended, (ii) the minimum specified denomination shall be €125,000 (or its equivalent in any other currency as at the date of issue of the Notes) and (iii) the Underlying Assets constitute Specified Underlying Assets (as defined herein) and (iv) the Swap Counterparty is a Specified Swap Counterparty. Where (i) a public offering or distribution of the Notes is intended, (ii) the minimum specified denomination of the Notes is less than €125,000 (or its equivalent in any other currency as at the date of issue of the Notes) or (iii) the Underlying Collateral of the Notes is not Specified Underlying Assets or (iv) the Swap Counterparty in respect of the Notes is not a Specified Swap Counterparty, then a Series Prospectus will be required for the Notes to be admitted to the Euronext Official List and admitted to trading on the regulated market of Euronext Dublin or other regulated markets for the purposes of MiFID II.

Notes to be admitted to the Euronext Official List and to trading on GEM may be issued by way of a Pricing Supplement under these Base Listing Particulars. For this purpose, references in these Base Listing Particulars to “Base Prospectus”, “Pricing Supplement” and “Series Prospectus(es)” shall be deemed to be references to “Base Listing Particulars”, “Pricing Supplement” and “Listing Particulars Supplement(s)” respectively.

Notes to be admitted to the Euronext Official List and to trading on GEM may only be issued by way of Final Terms or a Pricing Supplement, as applicable, where (i) a public offering of the Notes is not intended, (ii) the minimum specified denomination shall be €125,000 (or its equivalent in any other currency as at the date of issue of the Notes) and (iii) the Underlying Assets constitute Specified Underlying Assets (as defined herein) and (iv) the Swap Counterparty is a Specified Swap Counterparty. Where (i) a public offering or distribution of the Notes is intended, (ii) the minimum specified denomination of the Notes is less than €125,000 (or its equivalent in any other currency as at the date of issue of the Notes) or (iii) the Underlying

Collateral of the Notes is not Specified Underlying Assets or (iv) the Swap Counterparty in respect of the Notes is not a Specified Swap Counterparty, then a Series Prospectus will be required for the Notes to be admitted to the Euronext Official List and admitted to trading on the regulated market or equivalent market of Euronext Dublin or other regulated markets for the purposes of MiFID II.

This Base Prospectus comprises a Listing Particulars for the purposes of listing on the Global Market of the GSX and for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

Payments in respect of the Notes comprising each Series will be made without withholding or deduction for or on account of any taxes unless required by law. The Issuer will not be obliged to gross up payments in respect of the Notes and any imposition of withholding taxes on payments in respect thereof may lead to redemption of Notes. See *"Terms and Conditions of the Notes – Redemption, Purchase and Exchange"*.

The Notes of a Series will be held through a clearing system and represented by a Global Note, the Global Note will be held by a common depositary appointed by Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

The Notes will be obligations solely of the relevant Issuer and will not be guaranteed by, or be the responsibility of any other Issuer or entity, including in the case of Notes issued by Memel, Memel or any of Memel's other protected cells.

The Issuer accept responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer the information contained in this Base Prospectus as at the date hereof is in accordance with the facts and does not omit anything likely to affect the import of such information. No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus and in the relevant Issuance Document in connection with the issue or sale of a Series of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer (each as defined in *"Overview of the Programme"*). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required the Issuer and the Dealer to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Issuer has not registered and will not register under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Consequently, the Notes may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except in accordance with the Securities Act or an exemption therefrom or in a transaction not subject to the registration requirements of the Securities Act and under circumstances designed to preclude the Issuer from having to register under the Investment

Company Act. The Notes may only be offered for sale outside the United States to non-U.S. persons in reliance on, and in accordance with, Regulation S and in compliance with applicable laws, regulations and directives. In addition, the Notes may not be transferred or held by any person that is a “United States Person” within the meaning of section 7701(a)(3) of the U.S. Internal Revenue Code of 1986. See "*Subscription and Sale and Selling Restrictions*".

For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "*Subscription and Sale and Selling Restrictions*".

**IMPORTANT – UK RETAIL INVESTORS** – If the Issuance Document in respect of any Notes issued by an Issuer includes a legend entitled “*Prohibition of Sales to UK Retail Investors*”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**UK MiFIR product governance / target market** – The Issuance Document in respect of any Notes may include a legend entitled “*UK MiFIR Product Governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

**IMPORTANT – EEA RETAIL INVESTORS** – If the Issuance Document in respect of any Notes issued by an Issuer includes a legend entitled “*Prohibition of Sales to EEA Retail Investors*”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
- (ii) a customer within the meaning of Directive 2016/97/EC (the “Insurance Distribution Directive”) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MiFID II product governance/target market** – The Issuance Document in respect of any Notes may include a legend entitled "*MiFID II product governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Each of the Dealers agrees that a determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**") and/or the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), as applicable, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but that, otherwise, neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules and/or UK MiFIR Product Governance Rules, respectively.

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

Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the Notes as they consider appropriate to evaluate the merits and risks of an investment in the Notes. The Dealer does not make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Notes and none of them accepts any responsibility or liability therefor. The Dealer does not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Dealer.

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

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

conduct such independent investigation and analysis regarding the Issuer, the security arrangements (if any), the Notes, the Issuer (applicable to their Series) and the Shares (applicable to their Series) as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Prospective purchasers of Notes should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Base Prospectus, any supplement to this Base Prospectus (each a "**Supplement**") and the applicable Issuance Document (if any) and the merits and risks of investing in the Notes in the context of their financial position and circumstances. The Dealer does not undertake to review the financial condition or affairs of the Issuers during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Dealer. The risk factors identified in this Base Prospectus and are provided as general information only and the Dealer disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

A copy of this document has not been delivered to the registrar of companies in Jersey (the "**Jersey Registrar**"), as it is not necessary, in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, as amended, to obtain the consent of the Jersey Registrar prior to its circulation as this document does not constitute a prospectus for the purposes of Article 1 of the Companies (Jersey) Law 1991, as amended. The Jersey Financial Services Commission (the "**Commission**") has given, and has not withdrawn, or will have given prior to the issue of the Notes and not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of the Notes. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law. It must be distinctly understood that, in giving these consents, neither the Jersey Registrar nor the Commission takes any responsibility for the financial soundness of the Issuers or for the correctness of any statements made, or opinions expressed, with regard to it.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

The directors of the Issuers have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the directors accept responsibility accordingly. **The investments described in this document do not constitute a collective investment fund for the purpose of the Collective Investment Funds (Jersey) Law 1988, as amended, on the basis that they are investment products designed for financially sophisticated investors with specialist knowledge of, and experience of investing in, such investments, who are capable of fully evaluating the risks involved in making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making such investments. These investments are not regarded by the Commission as suitable investments for any other type of investor.**

**Neither the investments described in this document nor the activities of any functionary with regard to such investments are subject to all the provisions of the Financial Services (Jersey) Law 1998.**

**Any individual intending to invest in any investment described in this document should consult his or her professional adviser and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.**



In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "US\$" and "US dollars" are to United States dollars, references to "Euro" and "€" are to the lawful currency of the Member States of the European Union that have adopted a single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty of European Union and references to "GBP" and "£" are references to the lawful currency of the United Kingdom.

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

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES, AND NONE OF THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY OF THE UNITED STATES HAS PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE ISSUER HAS NOT REGISTERED AND WILL NOT REGISTER UNDER THE INVESTMENT COMPANY ACT. THE NOTES MAY NOT BE OFFERED OR SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OF, U.S. PERSONS (AS DEFINED IN REGULATION S). THIS BASE PROSPECTUS HAS BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE NOTES OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS PURSUANT TO REGULATION S, FOR THE LISTING OF THE NOTES ON IRISH STOCK EXCHANGE'S (EURONEXT DUBLIN) EURONEXT OFFICIAL LIST AND TRADING ON THE REGULATED MARKET OR GEM OR FOR THE LISTING OF THE NOTES ON THE GLOBAL MARKET (MTF) OF THE GIBRALTAR STOCK EXCHANGE. IN ADDITION, THE NOTES MAY NOT BE TRANSFERRED OR HELD BY ANY PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE U.S. INTERNAL REVENUE CODE OF 1986. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE TES AND DISTRIBUTION OF THIS BASE PROSPECTUS, SEE "*SUBSCRIPTION AND SALE AND SELLING RESTRICTIONS*".

### **Forward-Looking Statements**

Certain matters contained within this Base Prospectus are forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Base Prospectus. The Issuers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in

Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which such statement is based, save as otherwise required to comply with the Prospectus Regulation.

## **IMPORTANT INFORMATION**

### **The Notes**

The Notes issued under the Programme are complex instruments that involve substantial risks and are suitable only for sophisticated investors who have sufficient knowledge and experience and access to such professional advisers as they shall consider necessary in order to make their own evaluation of the risks and the merits of such an investment (including without limitation the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment) and who have considered the suitability of such Notes in light of their own circumstances and financial condition. Prospective investors should ensure that they understand the nature of the risks posed by an investment in the Notes, and the extent of their exposure as a result of such investment in the Notes and, before making their investment decision, should consider carefully all of the information set forth in this Base Prospectus, any applicable Supplements and the applicable Issuance Document and, in particular, the considerations set forth below. Owing to the structured nature of the Notes, their price may be more volatile than that of unstructured securities.

### **Investors**

Each prospective investor in Notes should have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal may reduce or be lost in its entirety as a result of the occurrence of different events whether related to the creditworthiness of any entity or otherwise or changes in particular rates, prices or indices, or where the currency for principal payments is different from the prospective investor's currency.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its professional advisers to determine whether and to what extent (i) the Notes are legal investments for it, and/or (ii) other restrictions apply to its purchase or, if relevant, pledge of any Notes. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

A prospective purchaser may not rely on the Issuer, the Dealer or any of the other Series Transaction Parties in respect of any Series or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

### **Market Risk**

The redemption amounts payable under the Notes of a Series are determined by reference to the amount of redemption proceeds which would be received in respect of the Reference Assets and/or the Underlying Assets, as applicable. Potential investors should be aware that:

- (a) the market price of the Notes may be volatile;
- (b) payment of principal may occur at a different time than expected;
- (c) they may lose all or a substantial portion of their principal;
- (d) the Reference Assets and/or the Underlying Assets, as applicable, may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or indices;

- (e) the timing of changes in the value of the Reference Assets and/or the Underlying Assets, as applicable, may affect the actual yield to investors.

### **No fiduciary or advisory role**

None of the Issuer, the Dealer or any of the other parties to the Relevant Agreements (the "**Series Transaction Parties**") or any of their respective affiliates is acting as an investment adviser, and none of them (other than the Note Trustee and the Security Trustee to the extent set out in the Principal Trust Deed) assumes any fiduciary obligation to any purchaser of Notes or any other party, including the Issuer. In respect of each Series the Note Trustee holds the benefit of the Issuer's covenant to pay on trust for the Noteholders of such Series pursuant to the Trust Deed and has certain fiduciary duties towards the Noteholders such as its duty to act in good faith and not to make an unauthorised profit.

None of the Issuer, the Dealer or any of the other Series Transaction Parties assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Underlying Assets or the terms of any Underlying Assets.

Investors may not rely on the views or advice of the Issuer, the Dealer or any of the other Series Transaction Parties in respect of any investment in the Notes.

Therefore, to the extent potential investors are not, on the basis of their knowledge, experience and sophistication, able to make an autonomous decision in respect of an investment in the Notes, they should obtain independent professional advice in order to make their own evaluation of the risks and the merits of such an investment (including without limitation the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment).

### **No representations**

None of the Issuer, the Dealer or any of the other Series Transaction Parties in respect of any Series makes any representation or warranty, express or implied, in respect of any Underlying Assets, or any issuer or obligor of any Underlying Assets, as applicable, or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or obligor or in respect of such Underlying Assets, with any exchange, governmental, supervisory or self regulatory authority or any other person.

None of the Issuer, the Dealer or any of the other Series Transaction Parties makes any representation or warranty in respect of the Underlying Assets.

### **Notes are obligations of an Issuer only**

The Notes issued by an Issuer will be obligations solely of such Issuer and will not be the responsibility of, or guaranteed by, any other Issuer under the Programme or any of Morgan Stanley & Co. International plc, its affiliates or any other party named in this Base Prospectus and no person other than such Issuer will accept any liability whatsoever in respect of any failure by such Issuer to pay any amount due under the Notes.

In particular, each Issuer is a separate legal entity and the fact that the Issuers may from time to time issue Notes under the same Programme cannot be construed as an acceptance by the an Issuer of any responsibility in respect of Notes issued by the other Issuer.

Noteholders in respect of a particular Series of Notes shall have recourse (within the limits provided for under the Programme) only against the relevant Issuer in respect of such Series

of Notes and shall have no rights in respect of any other Issuer under the Programme or any other person.

**Change of law**

The Conditions, the issue of the Notes and the ratings which may be assigned (if applicable) to the Notes are based on English law in effect as at the date of issue of the Notes. The Issuer, where referring to Alphabeta only, is incorporated under the laws of Jersey and the Issuer, where referring to Memel acting in respect of its protected calls only, is recognised under the laws of Jersey. No assurance can be given as to the impact of any possible judicial decision or change to English law or Jersey law or any relevant administrative practice after the date of issue of the Notes.

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## **RISK FACTORS**

*Each Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and none of the Issuers is in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.*

*Factors which the Issuers believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Each Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued by the relevant Issuer under the Programme, but the inability of such Issuer to pay principal or other amounts on or in connection with any Notes may occur for other reasons and each Issuer represents that the statements below regarding the risks of holding any Notes are not exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and in the applicable Issuance Documents in respect of the relevant Series of Notes and reach their own views prior to making any investment decision.*

*Unless otherwise specified, the below risk factors apply in respect of each Issuer (and accordingly references to “the Issuer” shall be deemed to be references to each of such Issuers separately) and/or each Series of Notes issued by each of such Issuers, as applicable.*

### **(1) RISKS RELATING TO THE ISSUER**

#### **Limited assets available to the Issuer**

The Issuer’s sole business is the raising of money by issuing Notes for the purposes of purchasing assets and entering into related contracts and the Swaps. Therefore, as summarised below, the Issuer will have limited assets available to meet its obligations.

The Issuer has covenanted (amongst other things) not to, as long as any Note remains outstanding, without the consent of the Note Trustee engage in any activity or business except as provided or contemplated by the Notes, the Custodian Notes, the Relevant Agreements and the Alternative Programme Agreements and to perform any acts incidental to or necessary in connection therewith, or any act required by law, regulation or order of any court to be performed. In addition, the Issuer will be subject to certain other restrictions (as set out in Condition 7 (*Issuer restrictions*)) including, but not limited to, that it will not, without the consent of the Note Trustee declare or pay any dividend (other than a dividend of up to US\$750 per Series or other series under alternative programmes of the Issuer) or make any other distribution to the holders of any of its shares or have formed or cause to be formed by subsidiaries or have any employees purchase, own, lease or otherwise acquire any real property, consolidate or merge with or into any other person, or convey or transfer its properties or assets substantially in their entirety to any other person, or use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with any of its property or any interests therein or create or permit to edict upon or effect any mortgage, charge, pledge, lien or other encumbrance whether fixed or floating or otherwise upon the whole or any part of its property or assets (other than as contemplated by the Conditions and/or the Trust Deeds), issue any further shares or issue any warrants or options in respect of shares or securities convertible units or exchangeable for shares.

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 Notes from time to time, any Series Assets, any other assets on which Secured Notes are secured and any other assets contemplated by the Alternative Programme Agreements.

This means that investors in the Notes will have a limited recourse only in respect of such assets, as further described under paragraph “*Risks relating to the Notes - Limited recourse obligations*” below.

Once such assets are extinguished, Noteholders will have no further claims against the Issuer.

In respect of Notes issued by Memel acting on behalf of any of its protected cells from time to time, please also refer to the risk factor entitled “*Memel – Protected Cell Company Structure*” below.

### **Memel - Protected Cell Company Structure**

Memel has been constituted as a protected cell company under Jersey law. Each Series of Notes issued by Memel (as specified in the relevant Issuance Document) is a Series of Notes issued by a protected cell of Memel. A protected cell company is a multi-cellular company whose principal feature is that each protected cell has its own distinct assets which are not available to creditors of other protected cells of that company or the company as a whole. The relevant provisions of the Companies (Jersey) Law 1991 have not yet been tested in the courts of Jersey, the United Kingdom or elsewhere and jurisdictions other than Jersey may not be prepared to accept that creditors of a particular Issuer are prevented from gaining access to the assets attributed to other Issuers, or that creditors of Memel (in its own capacity) do not have access to those assets specifically designated as cellular assets. In order to minimise this risk: (i) service providers to Memel will generally be required to agree that their fees will be paid solely from the assets of Memel in its own capacity; and (ii) the Conditions of each Series of Notes will provide that any liability to a holder will be satisfied only out of the assets of the Issuer (being a specified protected cell). However, a court could determine that such agreements are not enforceable.

If the courts in Jersey, the United Kingdom or elsewhere were not to recognise and give effect to the segregation of Memel's and each of its protected cells' assets and the agreements with service providers and investors referred to above, and the cellular assets of any protected cell were held to be available to meet the liabilities of Memel or any other protected cell, this could have a material and adverse effect on that protected cell's financial condition and prospects and the value of any relevant Series of Notes.

This means that if the segregation of assets of Memel or each of its protected cells were not to be recognised, investors in the Notes issued by Memel acting on behalf of a particular protected cell may have a reduced ability to recover all or part of their initial investment in the Notes as their claim will be in competition with the claims of any other creditor of Memel and any other creditor of Memel acting on behalf of each of its other protected cells from time to time.

### **Regulation of the Issuer by any regulatory authority**

Other than consent to the issuance of the Notes given by the Commission and approval of this Base Prospectus by the Central Bank as the competent authority under the Prospectus Regulation, and unless otherwise specified for a Series of Notes, an Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation or recognition, as the case may be.



There is no assurance, however, that in the future such regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to an Issuer.

There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations of those jurisdictions.

Any requirement to be licensed or authorised could have an adverse effect on the Issuer and on the holders of the Notes as it may require the Issuer to bear certain costs to comply with such licensing or authorisation requirements that may ultimately reduce the amounts available to the Issuer to pay amounts due under the Notes.

### **No statutory protection in respect of any investment in the Notes**

Any investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by Central Bank or any other authority.

This means that an investment in the Notes does not benefit from any form of statutory protection whatsoever.

### **Registration of the Issuer under the Investment Company Act**

The Issuer has not registered with the U.S. Securities and Exchange Commission as an investment company pursuant to the Investment Company Act. If the U.S. Securities and Exchange Commission or a court of competent jurisdiction were to find that the Issuer is required but, in violation of the Investment Company Act, had failed to register as an investment company, possible consequences include, but are not limited to the following: (i) the U.S. Securities and Exchange Commission could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in, or whose performance involves a, violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act.

Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected and, as a consequence, investors in the Notes may lose all or part of their investment.

### **Anti-money laundering**

The Issuer may be subject to anti-money laundering legislation. If the Issuer were determined by the relevant authorities to be in violation of any such legislation, it could become subject to substantial criminal penalties.

Any such violation could materially and adversely affect the timing and amount of payments made by the Issuer to Noteholder in respect of the Issuer's Notes.

## **(2) RISKS RELATING TO THE NOTES**

### **Limited recourse obligations**

In respect of a Secured Series, the Secured Notes (other than the Secured Series Custodian Notes) are direct, secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property over which security is given by the Issuer in favour of the Security Trustee on behalf of the Secured Noteholders and other secured creditors. In respect of an Unsecured Series, the Unsecured Notes (other than the Unsecured Series Custodian Notes) are direct, limited recourse obligations for the Issuer payable solely out of the Unsecured Series Property. The Issuer will

have no other assets or sources of revenue available for payment of any of its obligations under the Notes. No assurance can be made that the proceeds available for the payment of the amounts due to the Note Trustee, the Security Trustee and the Agents (to the extent not paid pursuant to the Expenses Agreement) and the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable to the Note Trustee, the Security Trustee and the Agents (to the extent not paid pursuant to the Expenses Agreement) and under the Notes. If, in the case of Secured Notes, the proceeds of the realisation of the Security received by the Security Trustee or, in the case of Unsecured Notes, the proceeds of liquidation of the Unsecured Series Property for the benefit of the Noteholders prove insufficient to make payments on the Notes, in respect of which payment is due, no other assets will be available for payment of the deficiency, and, following distribution of the proceeds of such realisation or liquidation, any outstanding claim against the Issuer in relation to the Notes shall be extinguished and no debt shall be owed by the Issuer in respect thereof.

Further, only the Note Trustee may pursue remedies available under the Trust Deed as it may think fit to enforce the rights of the creditors under the Trust Deed and the Conditions and in the case of Secured Notes, only the Security Trustee may enforce the Security, and none of the Noteholders, any creditor or any Series Transaction Party shall be entitled to proceed directly against the Issuer unless the Note Trustee or the Security Trustee, as applicable, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so within a reasonable period and such failure is continuing.

The Unsecured Series Property of an Unsecured Series will not be ring fenced against the claims of other creditors by virtue of having the benefit of any security. There can be no guarantee that unspecified third parties will not make any claims against any Unsecured Series Property and that any Unsecured Series Property will be available to meet the claims of the Unsecured Noteholders of the Unsecured Series at any time.

The Issuer is subject to certain restrictive covenants that limit its permitted activities with a view to avoiding the existence of any creditors of the Issuer that have not agreed to limited recourse and non-petition provisions. However, there can be no guarantee that there will not be any creditors of the Issuer that have not agreed to limited recourse and non-petition or that such creditors would not be successful in making and enforcing claims against the Issuer. In particular, the Issuer is permitted to enter into agreements where there are other mitigating measures including, but not limited to, a form of subscription agreement or such other comparable document that does not contain limited recourse and non-petition provisions. Any such claim could result in the Unsecured Series Property not being sufficient to meet the claims of the Unsecured Noteholders.

No person other than the Issuer will be obliged to make payments on the Notes and the Noteholders, given the limited recourse nature of the Issuer's obligations, will not be able to recover any shortfall arising from their investment in the Notes.

In the case of a Series of Notes issued by Memel, each Series of Notes is issued by Memel acting in respect of the relevant protected cell for such Series as specified in the relevant Issuance Document. The Issuer in respect of such Notes is therefore such protected cell of Memel, being a Jersey protected cell company, and holders of such Notes will only have recourse to the assets attributable from time to time to that protected cell represented by the Memel in respect of such Series of Notes. Holders of Notes will not have recourse to any assets attributed to any other protected cell of Memel other than the Issuer (being Memel acting on behalf of such protected cell) in respect of such Series of Notes or any assets held by Memel in its own capacity.

## **Non-petition**

The Noteholders may not, at any time, institute, or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any other notes issued by the Issuer (save for any further notes which form a single series with the Notes).

This will limit the ability of any investors in the Notes to take any autonomous action to recover their investment.

## **Market Risk**

The redemption amounts payable under the Notes of a Series are determined by reference to the amount of redemption proceeds which would be received in respect of the Reference Assets and/or the Underlying Assets, as applicable. The Reference Assets and/or the Underlying Assets, as applicable, in respect of the Notes of a Series will, among other risks, be subject to credit, market, liquidity and interest rate risks.

Due to potential market volatility, at any time the market value of the Reference Assets and/or the Underlying Assets, as applicable, in respect of the Notes of a Series, will vary, and may vary substantially, from the price at which such Reference Assets and/or the Underlying Assets, as applicable, were initially purchased and from the principal amount of such Reference Assets and/or the Underlying Assets, as applicable.

The market value of the Reference Assets and/or Underlying Assets, as applicable, will generally fluctuate with, among other things, the financial condition of the relevant obligor(s), general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition, or the amount received or recovered upon maturity, of the Reference Assets and/or the Underlying Assets, as applicable, of any Notes of a Series, or that the proceeds of any such sale or disposition would be sufficient to repay principal of and interest on the Notes of the related Series and amounts payable prior thereto.

The Noteholders should be aware that, given the market risks associated with the Notes of a Series, the market price of the Notes may be volatile, the payment of principal (if any) may occur at a different time than expected and Noteholders may lose all or substantially all of their principal. Additionally, the Reference Assets and/or the Underlying Assets, as applicable, may be subject to significant fluctuations that may not correlate to changes in interest rates, currencies, indices or other movements in the market and the timing of such changes in the market may impact the actual yield to Noteholders.

## **Priority of Claims**

During the term of the Notes and in the case of Secured Notes on an enforcement of the Security, the rights of the Noteholders to be paid amounts due under the Notes will be subordinated to (i) payment or satisfaction of, or provision for, the fees, costs, charges, expenses and liabilities incurred by the Note Trustee, and in the case of Secured Notes only, the Security Trustee or any receiver in preparing and executing the trusts under the Trust Deed in relation to the Notes and in carrying out their functions under the Trust Deed (including any taxes required to be paid, (solely in the case of Secured Notes) the cost of realising any Security, and the Note Trustee's and/or the Security Trustee's remuneration) to the extent not paid pursuant to the Expenses Agreement, and (ii) payment of the fees, costs, charges, expenses and liabilities

incurred by the Agents in carrying out their functions under the Agency Agreement to the extent not paid pursuant to the Expenses Agreement, and (iii) any other claims as specified in the Conditions as may be amended by the Trust Deed relating to the relevant Series that rank in priority to the Notes including to the Swap Counterparty if applicable.

Therefore, there is a risk that amounts and assets available to the Issuer to meet its obligations under the Notes will not, after satisfaction of any claims ranking in priority to the Noteholders, be sufficient to pay amounts due to the Noteholders under the Notes.

This, combined with the limited recourse nature of any investment in the Notes (please see, amongst others, the risk factor entitled “*Limited recourse obligations*” above), means that the Noteholders may lose all or part of their investment.

### **Early redemption for Events of Default, tax or other reasons**

The Notes may be redeemed on a date other than on the Maturity Date upon the occurrence of certain tax events with respect to the Notes or the Underlying Assets, upon any of the Underlying Assets, being called for redemption or repayment prior to its scheduled Maturity Date. In addition, the Issuer, the Noteholders and/or the Note Trustee (depending on the relevant event and as specified in the Conditions) may have the right to direct a redemption of the Notes upon the occurrence of an Event of Default with respect to the Notes, or the occurrence of certain default events relating to the Underlying Assets. The amount payable per Note to Noteholders in such circumstances will be, unless otherwise specified in the applicable Issuance Document, an amount equal to the outstanding principal amount of such Note, subject to the payment of all prior ranking amounts as provided in the Conditions. The Issuer will fund such payments under a Series of Notes from payment(s) due to it under the Underlying Assets. This will expose Noteholders to the market value of the Underlying Assets, as applicable (for a consideration of factors that may impact such values see “*Risk Factors – Market Value of Notes*” below).

If, following the realisation in full of the Mortgaged Property in the case of Secured Notes or the Unsecured Series Property in the case of Unsecured Notes relating to the relevant Series of Notes (in the case of Secured Notes by way of enforcement of the Security) and application of available cash sums as provided in the Conditions, there are any outstanding claims against the Issuer in respect of such Series of Notes which remain unpaid, then such outstanding claim will be extinguished and no debt will be owed by the Issuer in respect thereof. In such circumstances, the investors in the Notes may not receive back their investment and may receive zero.

Please also refer to the risk factors entitled “*Limited recourse obligations*”, “*Non petition*” and “*Priority of Claims*” above.

### **Determinations of Swap termination payments**

Upon early termination of the Swap (if any), an early termination payment based on the losses or costs or, as the case may be, gains of the determining party in entering into a replacement transaction or its economic equivalent (or otherwise determined in accordance with the terms of such Swap) will be payable by the Issuer to the Swap Counterparty, or (as the case may be) by the Swap Counterparty to the Issuer under the Swap. Such payment will generally be determined by the Swap Counterparty save where it is in default. If the Swap Counterparty is in default, the Issuer may, if provided for under the terms of the Swap, need to appoint a substitute calculation agent under the Swap for the purposes of making such determination on the Issuer’s behalf. The determination of any such losses or costs or, as the case may be, gains will be dependent on a number of factors, including, without limitation, (i) the creditworthiness and liquidity of the assets underlying the swap payments, (ii) market perception, interest rates,

yields and foreign exchange rates, (iii) the time remaining to the scheduled termination date of the Swap and (iv) if applicable, the value of any collateral received by the Issuer, or collateral posted by the Issuer, pursuant to any credit support provided by the Issuer or the Swap Counterparty in connection with the Swap. The determination of a termination payment and the factors which are taken into account in making that determination, may significantly impact amounts payable to Noteholders.

If, for whatever reason, the Issuer or the Swap Counterparty disputes the determination of a termination payment, any payment of redemption proceeds to Noteholders will be delayed until such dispute is resolved. Also, depending on the structure of the relevant Notes (and relevant payment flows), the outcome of any such dispute may have an impact on the amounts available to the Issuer to meet its obligations under the Notes, which in turn could have an impact on the amounts payable to the Noteholders.

### **Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index “benchmarks”**

The London Interbank Offered Rate (“**LIBOR**”), the Euro Interbank Offered Rate (“**EURIBOR**”) and other indices which are deemed “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any securities linked to a “benchmark.”

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain “benchmarks,” trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks”. The disappearance of a “benchmark” or changes in the manner of administration of a “benchmark” could have materially adverse consequences in relation to securities linked to such “benchmark”.

Furthermore, the Calculation Agent under the Swap Agreement may, acting in its sole discretion, amend the terms of any Swap Agreement in relation to Notes linked to a “benchmark” in order to reflect market standard protocols published by ISDA in relation to benchmark fallbacks from time to time.

Any such action as described above could have a material adverse effect on the value of and return on any such Notes and the Noteholders may require independent professional advice to understand the impact of any such reform on their investment in the Notes and bear the relevant costs of any related advice.

Please also refer to the risk factor entitled “*LIBOR, EURIBOR and other benchmark rate discontinuance or prohibition on use may lead to adjustments to the terms of the Notes or an early redemption of the Notes*” below.

### **Discontinuation of LIBOR**

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (“**FCA**”), which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. On 5 March 2021, the FCA formally announced the dates of the future cessation or loss of

representativeness of all 35 LIBOR settings currently published by the ICE Benchmark Administration (the “IBA”). The following 26 LIBOR settings will permanently cease: (i) immediately after 31 December 2021, all 7 euro LIBOR settings, all 7 Swiss franc LIBOR settings, the Spot Next, 1-week, 2-month and 12 month Japanese yen LIBOR settings, the overnight, 1-week, 2 month and 12-month sterling LIBOR settings, and the 1-week and 2-month US dollar LIBOR settings; and (ii) immediately after 30 June 2023: the overnight and 12-month US dollar LIBOR settings. The FCA will also consult on requiring the IBA to continue publishing the following 9 LIBOR settings, in each case on a non-representative, synthetic basis: (i) 1-month, 3-month and 6-month sterling LIBOR and a 1-month and 6-month Japanese yen LIBOR for a further period after the end of 2021; and (ii) 1-month, 3-month and 6-month US dollar LIBOR for a further period after the end of June 2023. The proposed synthetic LIBOR is intended to assist “tough legacy” contracts only (subject to the FCA’s proposed powers to permit the use) and UK regulated firms will be prohibited from using this in new regulated financial instruments. The FCA clearly states that all LIBOR settings will remain representative while they remain published on existing methodology, but that the “synthetic” LIBOR settings would be unrepresentative of the underlying market.

Accordingly, to the extent prospective investors in the Notes will invest in instruments referencing LIBOR, such investors should consider (if necessary, through independent professional advice) the impact that the above announcement will have on such Notes.

In particular, such announcement could have a material adverse effect on the value of and return on any such Notes and the Noteholders may require independent professional advice to understand the impact of such announcement on their investment in the Notes and bear the relevant costs of any related advice.

Please also refer to the risk factor entitled “*LIBOR, EURIBOR and other benchmark rate discontinuance or prohibition on use may lead to adjustments to the terms of the Notes or an early redemption of the Notes*” below.

**LIBOR, EURIBOR and other benchmark rate discontinuance or prohibition on use may lead to adjustments to the terms of the Notes or an early redemption of the Notes**

*Fallback arrangements where (i) the Relevant Rates Benchmark is other than U.S. dollar LIBOR and (ii) the provisions of Condition 8(d) (Relevant Rates Benchmark Discontinuance or Prohibition on Use) are applicable*

In order to address the risk of a possible discontinuance of LIBOR (referred to above) and other reference rates the Conditions include certain fallback provisions. These provisions apply to “Relevant Rates Benchmarks” (which will include LIBOR, EURIBOR and other similar interbank rates). The fallback provisions will be triggered if the Calculation Agent determines that (i) the administrator or regulatory supervisor (or other applicable regulatory body) in connection with such Relevant Rates Benchmark announces that the administrator has ceased or will cease permanently or indefinitely to provide such Relevant Rates Benchmark and there is no successor administrator that will continue to provide the Relevant Rates Benchmark, (ii) where the Relevant Rates Benchmark is a LIBOR (other than U.S. dollar LIBOR), a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark announcing that the Relevant Rates Benchmark is no longer representative, or (iii) unless otherwise specified in the applicable Issuance Document, an Administrator/Benchmark Event occurs in relation to such Relevant Rates Benchmark.

Following the occurrence of any of these events the Calculation Agent may replace the Relevant Rates Benchmark with any “Alternative Pre-nominated Reference Rate” which has been specified in the applicable Issuance Document or if no Alternative Pre-nominated Reference Rate is specified in the applicable Issuance Document, with an alternative rate that

is consistent with accepted market. If an Alternative Pre-nominated Reference Rate or other alternative rate is used then the Calculation Agent may also make other adjustments to the Notes, including to the new rate and to the Margin, which are consistent with accepted market practice for the use of such rate with debt obligations such as the Note. If the Calculation Agent is unable to identify an alternative rate and determine the necessary adjustments to the terms of the Notes then the Issuer may redeem the Notes. The replacement of the Relevant Rates Benchmark by an Alternative Pre-nominated Reference Rate or other alternative rate and the making of other adjustments to the Notes and other determinations, decisions or elections that may be made under the terms of the Notes in connection with the replacement of a Relevant Rates Benchmark could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes. Any early redemption of the Notes will result in the Noteholder losing any future return on the Notes and may result in the Noteholder incurring a loss on its investment in the Notes.

Any determination or decision of the Calculation Agent described above will be made in the Calculation Agent's discretion (in some cases after consultation with the Issuer).

Potential investors in any Notes that reference a Relevant Rates Benchmark (other than U.S. dollar LIBOR or SOFR) should be aware that (i) the composition and characteristics of the Alternative Pre-nominated Reference Rate or other alternative rate will not be the same as those of the Relevant Rates Benchmark which it replaces, the Alternative Pre-nominated Reference Rate or other alternative rate will not be the economic equivalent of the Relevant Rates Benchmark that it replaces, there can be no assurance that the Alternative Pre-nominated Reference Rate or other alternative rate will perform in the same way as the Relevant Rates Benchmark that it replaces would have at any time and there is no guarantee that the Alternative Pre-nominated Reference Rate or other alternative rate will be a comparable substitute for the Relevant Rates Benchmark which it replaces, (each of which means that the replacement of the Relevant Rates Benchmark by the Alternative Pre-nominated Reference Rate or other alternative rate could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes), (ii) any failure of the Alternative Pre-nominated Reference Rate or other alternative rate to gain market acceptance could adversely affect the Notes, (iii) the Alternative Pre-nominated Reference Rate or other alternative rate may have a very limited history and the future performance of the Alternative Pre-nominated Reference Rate or other alternative rate cannot be predicted based on historical performance, (iv) the secondary trading market for Notes linked to the Alternative Pre-nominated Reference Rate or other alternative rate may be limited and (v) the administrator of the Alternative Pre-nominated Reference Rate or other alternative rate may make changes that could change the value of the Alternative Pre-nominated Reference Rate or other alternative rate or discontinue the Alternative Pre-nominated Reference Rate or other alternative rate and has no obligation to consider the Noteholder's interests in doing so.

*Fallback arrangements where the Relevant Rates Benchmark is U.S. dollar LIBOR or SOFR: If U.S. dollar LIBOR or SOFR is discontinued, any Floating Rate Notes referencing U.S. dollar LIBOR or SOFR will bear interest by reference to a different base rate, which could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes; there is no guarantee that any Benchmark Replacement will be a comparable substitute for U.S. dollar LIBOR or SOFR.*

If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of LIBOR (with the applicable period of maturity in the case of Screen Rate Determination or the applicable Designated Maturity in the case of ISDA Determination) and cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then the interest rate on the Notes will no longer be determined by reference to LIBOR, but instead will be determined by reference to a different base rate,

which will be a different benchmark than LIBOR, plus a spread adjustment, which is referred to as a “Benchmark Replacement,” as further described in the relevant terms and conditions. In such a case, in the first instance, the interest rate on the Notes will be determined based on Term SOFR, which is a forward-looking term rate based on SOFR that is currently being considered for development by the Alternative Reference Rates Committee (the “ARRC”), which is a group of private-market participants convened by the Federal Reserve Board and the Federal Reserve Bank of New York to help ensure a successful transition from U.S. dollar LIBOR to SOFR. There can be no assurance that the development of a Term SOFR will be completed and selected or recommended by the ARRC.

If a particular Benchmark Replacement or Benchmark Replacement Adjustment cannot be determined, then the next-available Benchmark Replacement or Benchmark Replacement Adjustment will apply. These replacement rates and adjustments may be selected, recommended or formulated by (i) the Relevant Governmental Body (such as the ARRC), (ii) ISDA or (iii) in certain circumstances, the Issuer or its designee. In addition, the terms of the Notes expressly authorize the Issuer or its designee to make Benchmark Replacement Conforming Changes with respect to, among other things, changes to the definition of “interest period,” timing and frequency of determining rates and making payments of interest and other administrative matters. The determination of a Benchmark Replacement, the calculation of the interest rate on the Notes by reference to a Benchmark Replacement (including the application of a Benchmark Replacement Adjustment), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of the Notes in connection with a Benchmark Transition Event could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes.

Any determination, decision or election described above will be made in the Issuer’s or its designee’s sole discretion.

Potential investors in any Notes that reference either U.S. dollar LIBOR or SOFR should be aware that (i) the composition and characteristics of the Benchmark Replacement will not be the same as those of U.S. dollar LIBOR or SOFR (as the case may be), the Benchmark Replacement will not be the economic equivalent of U.S. dollar LIBOR or SOFR (as the case may be), there can be no assurance that the Benchmark Replacement will perform in the same way as U.S. dollar LIBOR or SOFR (as the case may be), would have at any time and there is no guarantee that the Benchmark Replacement will be a comparable substitute for U.S. dollar LIBOR or SOFR (each of which means that a Benchmark Transition Event could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes), (ii) any failure of the Benchmark Replacement to gain market acceptance could adversely affect the Notes, (iii) the Benchmark Replacement may have a very limited history and the future performance of the Benchmark Replacement cannot be predicted based on historical performance, (iv) the secondary trading market for Notes linked to the Benchmark Replacement may be limited and (v) the administrator of the Benchmark Replacement may make changes that could change the value of the Benchmark Replacement or discontinue the Benchmark Replacement and has no obligation to consider the Noteholder’s interests in doing so.

For example, in the case of Notes that initially reference U.S. dollar LIBOR if the Benchmark Replacement is a Term SOFR or Compounded SOFR, as adjusted as described herein, the composition and characteristics of SOFR are not the same as those of U.S. dollar LIBOR and the Benchmark Replacement, as so adjusted, will not be the economic equivalent of LIBOR. In June 2017, the ARRC announced SOFR as its recommended alternative to U.S. dollar LIBOR. SOFR is a broad Treasury repo financing rate that represents overnight secured funding transactions. This means that SOFR is fundamentally different from U.S. dollar LIBOR for two



key reasons. First, SOFR is a secured rate, while U.S. dollar LIBOR is an unsecured rate. Second, SOFR is an overnight rate, while U.S. dollar LIBOR represents interbank funding over different maturities. As a result, there can be no assurance that SOFR (including a Term SOFR or Compounded SOFR) will perform in the same way as U.S. dollar LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. For example, since publication of SOFR began on April 3, 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or other market rates. Furthermore, a Benchmark Replacement of Term SOFR (if developed and selected or recommended by the ARRC) or Compounded SOFR, even with the application of a Benchmark Replacement Adjustment and any implementation of Benchmark Replacement Conforming Changes, will not have the same composition and characteristics as those of U.S. dollar LIBOR and there is no guarantee that such Benchmark Replacement, as so adjusted, will be suitable as a substitute for U.S. dollar LIBOR.

See also the risk factors entitled “*Risk Factors—Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index “Benchmarks”*”, “*Discontinuation of LIBOR*” and “*—LIBOR, EURIBOR and other benchmark rate discontinuance or prohibition on use may lead to adjustments to the terms of the Notes or an early redemption of the Notes*” above.

#### *Fallback arrangements - general*

The application of any of these fallbacks may adversely affect the value of the Noteholder’s investment in the Notes.

If neither of the fallbacks described above in “*Fallback arrangements where (i) the Relevant Rates Benchmark is other than U.S. dollar LIBOR and (ii) the provisions of Condition 8(d) (Relevant Rates Benchmark Discontinuance or Prohibition on Use) are applicable*” or “*Fallback arrangements where the Relevant Rates Benchmark is U.S. dollar LIBOR: If U.S. dollar LIBOR is discontinued, any Floating Rate Notes referencing U.S. dollar LIBOR will bear interest by reference to a different base rate, which could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes; there is no guarantee that any Benchmark Replacement will be a comparable substitute for U.S. dollar LIBOR or SOFR*” applies, and (a) LIBOR, EURIBOR, or SONIA has been permanently discontinued or (b) where the Relevant Rates Benchmark is a LIBOR (other than U.S. dollar LIBOR), a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark announcing that the Relevant Rates Benchmark is no longer representative occurs, the Calculation Agent will use, as a substitute for LIBOR, EURIBOR, SONIA or other similar interbank rate, and for each future Interest Determination Date, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the applicable index currency that is consistent with accepted market practice. The Calculation Agent will also make other adjustments to the Notes, including to the new rate and to the Margin, which are consistent with accepted market practice for the use of such alternative rate for debt obligations such as the Notes. However, in the case of EURIBOR only, if the Calculation Agent determines that no such alternative rate exists on the relevant date, it will make a determination of an alternative rate as a substitute for EURIBOR, for debt obligations such as the Notes, as well as other adjustments to the Notes, including to the new rate and to the Margin, that is consistent with accepted market practice.

The replacement of LIBOR, EURIBOR, SONIA or other similar interbank rate by an alternative rate and the making of other adjustments to the Notes and other determinations, decisions or elections that may be made under the terms of the Notes in connection with the

replacement of LIBOR, EURIBOR, SONIA or other similar interbank rate could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes.

Any determination or decision described above will be made in the Calculation Agent's discretion (after consultation with the Issuer).

In addition, (i) the composition and characteristics of the alternative rate will not be the same as those of the Relevant Rates Benchmark which it replaces, the alternative rate will not be the economic equivalent of the Relevant Rates Benchmark that it replaces, there can be no assurance that the alternative rate will perform in the same way as the Relevant Rates Benchmark that it replaces would have at any time and there is no guarantee that the alternative rate will be a comparable substitute for the Relevant Rates Benchmark which it replaces (each of which means that the replacement of the Relevant Rates Benchmark by the alternative rate could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes), (ii) any failure of the alternative rate to gain market acceptance could adversely affect the Notes, (iii) the alternative rate may have a very limited history and the future performance of the alternative rate cannot be predicted based on historical performance, (iv) the secondary trading market for Notes linked to the alternative rate may be limited and (v) the administrator of the alternative rate may make changes that could change the value of the alternative rate or discontinue the alternative rate and has no obligation to consider the Noteholder's interests in doing so.

#### **Specific risks relating to Notes referencing SOFR or SONIA**

The following sets out a number of additional risks specific to Notes that reference either SOFR or SONIA.

*SOFR and (reformed) SONIA have limited histories; the future performance of SOFR or SONIA cannot be predicted based on historical performance.*

The publication of SOFR began on April 3, 2018 and it therefore has a very limited history. The publication of SONIA on the basis of its present methodology began on April 24, 2018. In addition, the future performance of SOFR or SONIA (as the case may be) cannot be predicted based on the limited historical performance. The level of SOFR or SONIA (as the case may be) during the term of the Notes may bear little or no relation to its historical level. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR or SONIA (as the case may be), such as correlations, may change in the future. In the case of SOFR, while some pre-publication historical data have been released by the Federal Reserve Bank of New York (the “**New York Federal Reserve**”), such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR or SONIA (as the case may be) is impossible to predict and therefore no future performance of SOFR or SONIA or the Notes may be inferred from any of the historical performance or (in the case of SOFR) historical simulations. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR or SONIA or the Notes. Changes in the levels of SOFR or SONIA (as the case may be) will affect the return on the Notes and the trading price of such Notes, but it is impossible to predict whether such levels will rise or fall. There can be no assurance that SOFR or SONIA (as the case may be) will be positive.

*The composition and characteristics of SOFR or SONIA are not the same as those of LIBOR and there is no guarantee that either compounded SOFR or compounded SONIA is a comparable substitute for LIBOR.*

In April 2017 the Working Group on Sterling Risk-Free Reference Rates announced SONIA as its preferred risk-free rate for sterling. In June 2017, the ARRC announced SOFR as its

recommended alternative to U.S. dollar LIBOR. However, the composition and characteristics of SOFR and SONIA are not the same as those of LIBOR.

SOFR is a broad Treasury repo financing rate that represents overnight secured funding transactions. This means that SOFR is fundamentally different from LIBOR for two key reasons. First, SOFR is a secured rate, while LIBOR is an unsecured rate. Second, SOFR is an overnight rate, while LIBOR represents interbank funding over different maturities.

SONIA is a measure of the rate at which interest is paid on sterling short-term wholesale funds in circumstances where credit, liquidity and other risks are minimal. While SONIA and LIBOR are both unsecured rates, SONIA is solely an overnight rate unlike LIBOR which represents interbank funding over different maturities.

As a result, there can be no assurance that either SOFR or SONIA will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global, national or regional economic, financial, political, regulatory, judicial or other events. For example, since publication of SOFR began on April 3, 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or other market rates. For additional information regarding SOFR, see “Secured Overnight Financing Rate” above.

*The secondary trading market for Notes linked to SOFR or SONIA may be limited*

Since SOFR is a relatively new market rate, and reformed SONIA has also recently been adopted as a benchmark rate for bonds, the trading market in debt securities such as the Notes may not develop or may not be very liquid. Market terms for debt securities linked to SOFR or SONIA (such as the Notes) may evolve over time and, as a result, trading prices of the Notes may be lower than those of later-issued debt securities that are linked to SOFR or SONIA. Similarly, if SOFR or SONIA does not prove to be widely used in debt securities similar to the Notes, the trading price of the Notes may be lower than that of debt securities linked to rates that are more widely used. Investors in the Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, investors wishing to sell the Notes in the secondary market will have to make assumptions as to the future performance of SOFR or SONIA. As a result, investors may suffer from increased pricing volatility and market risk.

*The administrator of SOFR or SONIA may make changes that could change the value of the benchmark or discontinue the benchmark and has no obligation to consider Noteholders’ interests in doing so*

The New York Federal Reserve (or a successor), as administrator of SOFR, or the Bank of England (or a successor), as administrator of SONIA, may make methodological or other changes that could change the value of SOFR or SONIA (as the case may be), including changes related to the method by which the relevant rate is calculated, eligibility criteria applicable to the transactions used to calculate the relevant rate, or timing related to the publication of the relevant rate. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR or SONIA as applicable (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider Noteholders’ interests in calculating, adjusting, converting, revising or discontinuing the relevant rate and any such calculations, adjustments, conversion, revision or discontinuation could adversely affect the

return on the Notes, the value of the Notes and the price at which the Noteholder can sell such Notes.

*The interest rate on the Notes is based on a daily compounded SOFR or daily compounded SONIA rate, which is relatively new in the marketplace; different conventions exist for calculating interest on SOFR and SONIA-linked Notes*

For each Interest Period for Notes linked to SOFR or SONIA, the interest rate on the Notes is based on a daily compounded SOFR or SONIA rate calculated using the specific formula specified in the Conditions and the Issuance Document, not the SOFR rate or SONIA rate published on or in respect of a particular date during such Interest Period, or an average of SOFR or SONIA rates during such period. For this and other reasons, the interest rate on the Notes during any Interest Period will not be the same as the interest rate on other investments linked to SOFR or SONIA (as applicable) that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate or SONIA rate (as the case may be) in respect of a particular date during an Interest Period is negative, the portion of the accrued compounded interest compounding factor specifically attributable to such date will be less than one, resulting in a reduction to the accrued interest compounding factor used to calculate the interest payable on the Notes on the Interest Payment Date for such Interest Period.

Very limited market precedent exists for securities that use SOFR as the interest rate and, in addition, for both SOFR and SONIA, different market conventions exist for calculating interest on debt securities. Accordingly, the specific formula for the daily compounded SOFR rate or SONIA rate (as the case may be) used in the Notes may not be widely adopted by other market participants, if at all. If the market adopts a different convention for calculating interest, that would likely adversely affect the market value of such Notes.

*The amount of interest payable with respect to each Interest Period will be determined near the end of the Interest Period.*

The amount of interest payable with respect to such Interest Period will be determined on a date near the end of such Interest Period, Noteholders will not know the amount of interest payable with respect to each such Interest Period until shortly prior to the related Interest Payment Date and it may be difficult for Noteholders to reliably estimate the amount of interest that will be payable on each such Interest Payment Date.

#### *Market Adoption*

The market or a significant part thereof may adopt an application of SOFR or SONIA (one using a different convention to calculating interest including using a SOFR or SONIA index or a screen based rate) that differs significantly from that set out in the Conditions and used in relation to Notes that reference a risk-free rate issued under this Base Prospectus and this may adversely affect the value of the Notes.

Potential investors in the Notes should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes.

#### **Additional Risks relating to SOFR-linked Notes**

*Any failure of SOFR to gain market acceptance could adversely affect Notes linked to SOFR.*

SOFR may fail to gain market acceptance. SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to U.S. dollar LIBOR in part because it is considered a good representation of general funding conditions in the overnight Treasury repo

market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR a suitable substitute or successor for all of the purposes for which LIBOR historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen market acceptance of SOFR. Any failure of SOFR to gain market acceptance could adversely affect the return on the Notes and the price at which the Noteholder can sell such Notes.

*In determining the SOFR Accrued Interest Compounding Factor for the final Interest Period, the level of SOFR for any day from and including the SOFR Rate Cut-Off Date to but excluding the Maturity Date or redemption date, as applicable, will be the level of SOFR in respect of such SOFR Rate Cut-off Date.*

For the final Interest Period, because the level of SOFR for any day from and including the SOFR Rate Cut-off Date to but excluding the Maturity Date or redemption date, as applicable, will be the level of SOFR in respect of such SOFR Rate Cut-Off Date, Noteholders will not receive the benefit of any increase in the level in respect of SOFR beyond the level for such date in connection with the determination of the interest payable with respect to such Interest Period, which could adversely impact the amount of interest payable with respect to that Interest Period.

### **Risks relating to Single Share Notes and Share Basket Notes**

In respect of Single Share Notes or Share Basket Notes, the Redemption Amount of the Notes is dependent upon the redemption or sale proceeds that would be received in respect of the Shares of a company (a “**Company**”). Accordingly, an investment in the Notes may bear similar market risks to a direct investment in the Shares and investors should take advice accordingly. An investment in the Notes will entail significant risks not associated with a conventional debt security.

In particular, risks associated with an investment in Single Share Notes or Share Basket Notes may include, amongst others:

- (i) liquidity risk;
- (ii) greater volatility;
- (iii) risks arising from limited information available in respect of recently formed Companies (that would not permit an investor in the Notes to evaluate past performance of the Company and the risk associated with an investment in the Notes);
- (iv) restrictions to the ability of the Issuer, as shareholder of the Company, to transfer the Shares in the relevant Company and potential consequent losses for the Issuer;
- (v) risks arising from investments made by the Company (which may include, without limitation, investments in shares, corporate bonds, government bonds or other assets in jurisdictions, including emerging markets, that might have legal and regulatory frameworks that are not as well developed as developed countries and unlisted securities that provide such Companies with direct or indirect exposure to entities which use debt financing or trade on margin (i.e. borrowing against the assets purchased) to obtain an optimum return on their equity capital, etc.), which in turn may increase the risks associated with Notes linked to Shares in the relevant Company;
- (vi) risks arising from the legal structure of the Company and the nature of its business. In particular, the Company may be a fund, which will regularly charge fees (in particular, the fund manager, asset manager or investment consultant may charge management fees

and/or a performance-related fee) that lower the redemption proceeds used to determine the redemption, cancellation and/or interim amounts under the Notes; or

- (vii) risks arising from other fees and expenses that can be incurred by the Company in relation to third persons employed by such Company's fund manager to provide services connected to such Company (such as custodian bank fees, fees for investment advice and auditing).

In addition, following the existence or occurrence of certain events in respect of the Shares of a Company, if the Calculation Agent determines that such event or events are material for the purposes of the Notes, a Mandatory Redemption Event will occur which will lead to a Mandatory Redemption Event occurring.

The occurrence of a Mandatory Redemption Event may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay settlement in respect of the Notes. Potential investors should review the Conditions to ascertain whether and how such provisions apply to the Notes.

The summary set out above in respect of the potential risks relating to Single Share Notes and Share Basket Notes does not purport to be a complete enumeration or explanation of the risks involved in an investment in this type of Notes, but investors in the Notes should understand that the occurrence of any of the events listed above may materially affect the return on the Notes and any relevant investors may lose all or part of their original investment.

#### **Meetings of Noteholders, modification and waivers and substitution**

The Trust Deed and Conditions contain provisions for convening meetings of Noteholders to consider matters affecting their interests generally (including amendments to the Conditions and/or the Trust Deed).

Such provisions include, among other things, (i) quorum requirements for the holding of Noteholders' meetings and (ii) voting thresholds required to pass Extraordinary Resolutions at such meetings (or through written resolutions). The quorum required for a meeting of Noteholders convened to vote on an Extraordinary Resolution (other than resolutions regarding modifying the details of the Mortgaged Property or the Unsecured Series Property, the maturity of the Notes or the dates on which interest is payable on them; reducing or cancelling the Redemption Amount of any premium payable on redemption of, or interest on, or varying the method of calculating the rate of interest or reducing the minimum rate of interest on the Notes; changing the currency of payment of the Notes; modifying the Events of Default; modifying the provisions concerning the quorum required at any meeting of Noteholders and the provisions concerning the majority required to pass an Extraordinary Resolution ("**special quorum resolution**")) is two or more person(s) holding or representing a clear majority in principal amount of the Notes for the time being outstanding. The quorum at an adjourned meeting is two or more persons holding Notes or representing Noteholders. The quorum required for a meeting of Noteholders convened to vote on a special quorum resolution will be two or more person(s) holding or representing at least two-thirds in nominal amount of the Notes for the time being outstanding. The quorum at an adjourned meeting to vote on a special quorum resolution is two or more person(s) holding or representing at least one-third in nominal amount of the Notes for the time being outstanding. It should, however, be noted that Extraordinary Resolutions (including to amend the Conditions and/or the Trust Deed) may still be effected in circumstances where not all Noteholders agree with the terms thereof and an Extraordinary Resolution in respect of any such amendments or waivers once passed in accordance with the provisions of the Conditions will be binding on all such dissenting Noteholders.

This means that certain decisions in respect of the Notes (including approval of certain material modifications of their terms) may be taken by a specified majority of Noteholders even if such decisions are not in line with the interests of a single Noteholder.

In addition, the Trust Deed and Conditions also provide that the Note Trustee may, without the consent of any of the Noteholders, agree to and, in the case of Secured Notes, may direct the Security Trustee to agree to (i) any modification of any of the provisions of the Trust Deed or any other Transaction Document which is in the opinion of the Note Trustee of a formal, minor or technical nature or is made to correct a manifest error or (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or any of the other Transaction Documents which, in any such case, is in the opinion of the Note Trustee not materially prejudicial to the interest of all of the Noteholders.

If any such modifications prove to be not in line with the interests of the Noteholders, there is no guarantee that the Noteholders will have recourse against the Note Trustee.

### **Resolution of financial institutions**

Following the global financial crisis, in 2011 the Financial Stability Board (the "**FSB**") produced a document setting out key attributes of effective resolution regimes for financial institutions. Resolution is the process by which the authorities can intervene to manage the failure of a firm in an orderly fashion. The objective of an effective resolution regime for financial institutions is to allow authorities to resolve financial institutions in an orderly manner without taxpayer exposure to loss from solvency support, while maintaining continuity of their vital economic functions.

The FSB proposed that resolution authorities should have at their disposal a broad range of resolution powers. These included (without limitation) powers to do the following:

- (i) to operate and resolve the firm, including powers to terminate contracts, continue or assign contracts, purchase or sell assets, write down debt and take any other action necessary to restructure or wind down the firm's operations;
- (ii) to transfer or sell assets and liabilities, legal rights and obligations to a solvent third party, notwithstanding any requirements for consent or novation that would otherwise apply;
- (iii) to carry out bail-in, which would allow, amongst other things, resolution authorities to write down equity or other instruments of ownership of a firm and unsecured and uninsured creditor claims, to convert into equity or other instruments of ownership of the firm all or parts of unsecured and uninsured creditor claims; and
- (iv) to temporarily stay the exercise of early termination rights that may otherwise be triggered upon entry of a firm into resolution or in connection with the use of resolution powers.

The G20 countries have committed to make any necessary reforms to fully implement the FSB's proposals regarding effective resolution regimes for financial institutions, and new laws have been implemented, or are in the process of being implemented, to reflect this.

In the European Union, on 12 June 2014, the Bank Recovery and Resolution Directive ("**BRRD**") was published in the Official Journal of the European Union. The stated aim of the BRRD is to provide supervisory authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The majority of the requirements of the BRRD have been implemented in the UK through the UK Banking Act 2009, as amended and related statutory instruments (together, the "**UK Banking Act**"). The UK Banking Act provides for a "resolution regime" granting substantial powers to the Bank of England (or, in certain circumstances, HM Treasury), to implement resolution measures (in consultation with other UK authorities) with respect to a UK financial institution where the resolution authority considers that the relevant institution is failing or is likely to fail, there is no reasonable prospect of other measures preventing the failure of the institution and resolution action is necessary in the public interest.

The powers granted to supervisory authorities under the BRRD and the UK Banking Act include (but are not limited to) (A) the introduction of a bail-in power, which gives the resolution authorities the power to convert certain liabilities into ordinary shares or other instruments of the surviving entity (if any), (B) powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and (C) powers to effect a close out of derivative transactions and determine the value of such transactions.

In the United States, the United States resolution regime for financial institutions has been significantly enhanced since the financial crisis. The Orderly Liquidation Authority (the "**OLA**"), introduced in 2010 as part of Dodd-Frank, provides the authorities with a robust framework for facilitating the resolution of most financial institutions that have the potential to cause severe systemic disruption and/or expose taxpayers to loss in the event of their failure. The regime as set out in the OLA and the Federal Deposit Insurance Act lays out a framework through which the Federal Deposit Insurance Corporation, through an administrative process, can exercise a broad range of resolution powers to deal with a failing systemically important bank or bank holding company, while protecting financial stability.

Although the Issuer itself is unlikely to be within scope of any implementing legislation, the taking of any actions by the relevant resolution authorities under any regime may adversely affect the Noteholders.

In particular, if the obligor in respect of any Series Asset or the Swap Counterparty is within the scope of any implementing legislation:

- (i) any applicable bail-in power might be exercised in respect of the Series Asset or the Swap (as the case may be) to convert any claim of the Issuer as against such person;
- (ii) any applicable suspension power might prevent the Issuer from exercising any termination rights under the Swap; or
- (iii) any applicable close out power might be exercised to enforce a termination of the Swap and to value the transactions in respect of such agreements (which value may be different to the value that would have been determined by the Issuer, the Swap Counterparty (as the case may be)).

The operation of resolution regimes and their application to cross-border financial institutions is complex and the resolution of the Swap Counterparty is likely to adversely affect the Notes in multiple and unpredictable ways.

Following an exercise of any powers by a resolution authority, the Issuer may have insufficient assets or sums to meet its obligations under the Notes or any transaction documents for that Series, the Notes may be the subject of an early redemption and any payment of redemption proceeds to Noteholders may be delayed. Each Noteholder should take such advice as it deems necessary to ensure that it understands the impact that a resolution regime may have on its investment in the Notes.



### **(3) RISKS RELATING TO THE UNDERLYING ASSETS**

#### **No investigations**

No investigations, due diligence, searches or other enquiries have been or will be made by or on behalf of the Issuer, the Dealer or the Note Trustee in respect of the Underlying Assets (if any) relating to any Series of Notes. No representations or warranties, express or implied, have been given by the Issuer, the Dealer, the Note Trustee, the Security Trustee or any other person on their behalf in respect of the Underlying Assets (if any) relating to any Series of Notes.

However, the Dealer may have acquired, or during the terms of the Notes may acquire, confidential information or enter into transactions with respect to any Underlying Assets, as applicable, and they shall not be under any duty to disclose such confidential information to any Noteholder or the Issuer.

As a consequence, investors in the Notes may not have sufficient information to take an informed decision in respect of their investment in the Notes, which could result in potential losses.

Any interested party in the Notes of a Series must carry out their own due diligence on the Underlying Assets of a Series before purchasing the Notes of such Series, which may result in higher costs.

#### **Underlying Assets**

The Underlying Assets relating to any Notes will be subject to credit, liquidity and interest rate risks. In the event of an insolvency of an issuer or obligor in respect of any Underlying Assets or the Swap Counterparty, various insolvency and related laws applicable to such issuer or obligor or the Swap Counterparty may (directly or indirectly) limit the amount the Issuer, the Note Trustee or the Security Trustee (if applicable) may recover in respect such Underlying Assets. In addition, certain Underlying Assets may be posted as collateral to the Swap Counterparty pursuant to a credit support document in respect of a Swap Agreement and such Underlying Assets may not be available to the Issuer upon liquidation or enforcement of the Security.

If Notes redeem other than on their Maturity Date, the Underlying Assets relating thereto will be sold or otherwise liquidated (except where otherwise transferred in accordance with the Conditions). No assurance can be given as to the amount of proceeds of any sale or liquidation of such Underlying Assets at that time since the market value of such Underlying Assets will be affected by a number of factors including but not limited to (i) the creditworthiness of the issuers and obligors of the Underlying Assets and the Swap Counterparty, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled maturity of the Underlying Assets and (iv) the liquidity of the Underlying Assets.

Accordingly, the price at which such Underlying Assets are sold or liquidated may be at a discount, which could be substantial, to the market value of the Underlying Assets on the issue date and the proceeds of any such sale or liquidation and any other assets available to the Issuer that relate to the relevant Series of Notes may not be sufficient, following deduction of amounts to be paid to prior ranking claimants in accordance with the Conditions, to repay the full amount of principal of and interest on the relevant Notes that the holders of such Notes would expect to receive in the event that the Notes were redeemed in accordance with their terms on their Maturity Date.

#### (4) RISKS RELATING TO THIRD PARTIES

##### **Risks arising from third parties appointed under the Programme to perform certain activities in respect of the Notes**

The Issuer is a party to contracts with a number of third parties who have agreed to perform services in relation to the Notes and/or may perform services in relation to the Underlying Assets and the ability of the Issuer to meet its obligations under the Notes will be dependent, where applicable, upon the payment of principal and interest due on the Underlying Assets, upon the payment of all sums due from the relevant Swap Counterparty, upon the Paying Agent and the Custodian making the relevant payments when received and upon all parties to the Transaction Documents (other than the relevant Issuer) performing their respective obligations thereunder.

Accordingly, Noteholders are exposed, among other things, to the creditworthiness of the obligor(s) and services provider(s) in respect of the Underlying Assets, the Swap Counterparty, the Paying Agent the Custodian (the Swap Counterparty, the Paying Agent and the Custodian each being a “**Relevant Entity**”).

The creditworthiness and/or performance of each of the Relevant Entities may be dependent upon economic, political, financial and social events, locally and globally and these events could adversely affect any of (i) the market value of the Underlying Assets and/or (ii) the consolidated financial condition or results of operations in future periods of any Relevant Entity. In addition, any such entity may become subject to litigation and regulatory or governmental scrutiny or may be subject to changes in applicable regulatory regimes that may be materially adverse to them, their prospects or their ability to meet their obligations.

If current market conditions and circumstances deteriorate further this could lead to a decline in credit quality, corrections in asset prices and increases in defaults and non-performing debt, and there can be no assurance that such factors will not adversely affect the market value of the Underlying Assets and/or any Relevant Entity’s creditworthiness and/or performance and, in turn, the performance of the Notes. Please also refer to risk factors under sections “*Swap Counterparty risk*”, “*Risks relating to the Paying Agent*” and “*Risks relating to the Custodian*” below.

Furthermore, there can be no certainty that, in the event that any such Relevant Entity needs to be replaced, a replacement party can be found to take over their responsibilities or that such replacement party will agree to do so on identical terms of those agreed with the outgoing party. Furthermore, the liability of any such party, the extent to which the Issuer may make a claim in the event of inadequate performance or non-performance may be limited by the provisions of the relevant contract. In such case, the ability of the Issuer to recover damages incurred may be reduced, which would in turn affect the amount available to make payments under the Notes.

The Dealer has agreed to pay certain fees, costs and expenses of the Issuer in relation to the Notes. In the event that the Dealer does not meet such obligations on time and in full (which may occur, for example, upon the insolvency (or the occurrence of an analogous event) of the Dealer), the Issuer may not be able to meet its periodic costs and expenses which may lead to a default of the Issuer’s obligations under the Trust Deed and consequently an Event of Default.

##### **Note Trustee and Security Trustee indemnity**

In certain circumstances, the Noteholders of a Series may be dependent on the Note Trustee or (solely in the case of Secured Notes) the Security Trustee to take certain actions in respect of a Series of Notes, in particular if the Security (if applicable) in respect of such Series becomes enforceable under the Conditions. Prior to taking such action, the Note Trustee and/or the Security Trustee (if applicable) is entitled to require to be indemnified and/or secured and/or prefunded to its satisfaction.

If the Note Trustee or the Security Trustee is not indemnified and/or secured and/or prefunded to its satisfaction it may not be bound to take such action and such inaction will not constitute a breach by it of its obligations under the Trust Deed.

Consequently, the Noteholders may have to either arrange for such indemnity and/or security or accept the consequences of such inaction by the Note Trustee or the Security Trustee. Noteholders should be prepared to bear the costs associated with any such indemnity and/or security and/or prefunding and/or the consequences of any such inaction by the Note Trustee or the Security Trustee. Such inaction by the Note Trustee or the Security Trustee will not entitle Noteholders to take action directly against the Issuer to pursue remedies for any breach by the Issuer of the Trust Deed or the Notes (although the events giving rise to the need for Note Trustee or Security Trustee action might also permit the Noteholders to exercise certain rights directly under the Conditions).

### **Swap Counterparty risk**

If a Series of Notes has a Swap with a Swap Counterparty specified in the Issuance Document, the ability of the Issuer to meet its obligations with respect to the Notes will be dependent also upon receipt by the Issuer of payments from the Swap Counterparty under the relevant Swap Agreement. Consequently, the Noteholders are relying not only on the creditworthiness of the Underlying Assets, but also on the creditworthiness of the Swap Counterparty and on the performance by the Swap Counterparty of its obligations under the Swap Agreement for such Series of Notes.

If the Swap Counterparty defaults or is not otherwise able to perform its obligations under the Swap Agreement, the Issuer may not have the resources required to satisfy its obligations in respect of the relevant Series of Notes and therefore the relevant Noteholders may lose all or part of their investment.

### **Risks relating to the Paying Agent**

Any payments made to Noteholders in accordance with the terms and conditions of the Notes will be made by the Paying Agent on behalf of the Issuer. Pursuant to the Agency Agreement, the Issuer is to transfer to the Paying Agent such amount as may be due under the Notes, on or before each date on which such payment in respect of the Notes becomes due.

If the Paying Agent, while holding funds for payment to Noteholders in respect of the Notes, is declared insolvent, the Noteholders may not receive all (or any part) of any amounts due to them in respect of the Notes from the Paying Agent.

The Issuer will still be liable to Noteholders in respect of such unpaid amounts but the Issuer will have insufficient assets to make such payments (or any part thereof) and Noteholders may not receive all, or any part, of any amounts due to them. Consequently, the Noteholders are relying not only on the creditworthiness of the Underlying Assets, if applicable, but also on the creditworthiness of the Paying Agent in respect of the performance of its obligations under the Agency Agreement to make or facilitate payments to Noteholders.

### **Risks relating to the Custodian**

If a Series of Notes has a Custodian specified in the Issuance Document then (i) certain amounts of the proceeds of the issuance of the Notes, amounts from the sale of the Underlying Assets relating to such Notes and other amounts may be deposited into such Cash Account, which will be held with the Custodian and (ii) collateral in the form of cash or securities will be held in an account of the Custodian in the name of the Issuer (provided that, in limited circumstances, the Custodian may register or record securities in a name other than the Issuer).

In this scenario, the ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the relevant Custody Agreement for such Series of Notes. Consequently, the Noteholders are relying not only on the creditworthiness of the Underlying Assets, but also on the creditworthiness of the Custodian in respect of the performance of its obligations under the Custody Agreement for such Series of Notes, subject to any relevant provisions or arrangements intended to provide that Underlying Assets in the form of securities are not beneficially owned by the Custodian and therefore would not be available to its creditors on any insolvency of the Custodian.

If the Custodian, while holding funds for, *inter alia*, payment to Noteholders in respect of the Notes, is declared insolvent, the Noteholders may not receive all (or any part) of any amounts due to them in respect of the Notes from the Custodian.

The Issuer will still be liable to Noteholders in respect of such unpaid amounts but the Issuer will have insufficient assets to make such payments (or any part thereof) and Noteholders may not receive all, or any part, of any amounts due to them. Consequently, the Noteholders are relying not only on the creditworthiness of the Underlying Assets, if applicable, but also on the creditworthiness of the Custodian in respect of the performance of its obligations under the Custody Agreement to make or facilitate certain payments to Noteholders.

Any cash deposited with the Custodian by the Issuer and any cash received by the Custodian for the account of the Issuer in relation to a Series will be held by the Custodian as banker and not as trustee. Accordingly, such cash will not be held as client money and will represent only an unsecured claim against the Custodian's assets.

### **Sub-custodians, depositaries and clearing systems**

Under the Custody Agreement, the Issuer may authorise the Custodian to hold the Series Assets in the Custodian's account or accounts with any other sub-custodian, any securities depositary or at such other account keeper or clearing system as the Custodian deems to be appropriate for the type of instruments which comprise the Underlying Assets.

Where the Underlying Assets are held with a sub-custodian, securities depositary or clearing system, the ability of the Issuer to meet its obligations with respect to the relevant Series of Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for such Series of Notes (if the Series Assets are so held) and, in turn, the Custodian will be dependent (in whole or in part) upon receipt of payments from such sub-custodian, securities depositary or clearing system. Consequently, the Noteholders are relying not only on the creditworthiness of the Series Assets and the Custodian in respect of the performance of its obligations under the Custody Agreement for such Series of Notes, but also on the creditworthiness of any duly appointed sub-custodian, securities depositary or clearing system holding the Series Assets subject to any relevant provisions or arrangements intended to provide that custody assets held by sub-custodians would not be available to its creditors on any insolvency of the sub-custodian.

In particular, the Custodian is authorised to hold Underlying Assets in the form of securities with sub-custodians in omnibus accounts. Where securities are held in an omnibus account, this may result in such securities not being as well protected as if the securities were held in a segregated account.

If there are insufficient securities to meet the claims of all persons holding securities in that account, the Issuer may not recover some or all of its securities, which would adversely affect the ability of the Issuer to meet its obligations with respect to the Notes.

### **Lien/Right of set-off**

Pursuant to their terms of engagement, sub-custodians, security depositaries or clearing systems may have liens or rights of set-off with respect to the Series Assets held with them in relation to any of their fees and/or expenses. If, for whatever reason, the Custodian fails to pay such fees and/or expenses, the relevant sub-custodian, security depositary or clearing system may exercise such lien or right of set-off, which may result in the Issuer failing to receive any payments due to it in respect of the Series Assets, and thereby adversely affecting the ability of the Issuer to meet its obligations with respect to the Notes.

Therefore, the ability of the Issuer to meet its obligations with respect to the Notes will not only be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the relevant Series of Notes (if the Series Assets are so held) but will also be dependent on any sub-custodian, security depositary or clearing system not exercising any lien or right of set-off in respect of any Series Assets that it holds.

Consequently, the Noteholders are relying not only on the creditworthiness of the Series Assets, but also on the creditworthiness of the Custodian in paying when due any fees or expenses of such sub-custodian, security depositary or clearing system.

Failure by the Custodian to pay any such fees or expenses and consequent exercise of any rights of any sub-custodian, security depositary or clearing system in respect of such liens or right of set-off may adversely affect the ability of the Issuer to meet its obligations in respect of the Notes.

**Risk that investors will have to rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer.**

The Notes will be represented by a Global Certificate (as defined in the Principal Trust Deed). The Global Certificate will be deposited with a common depositary for, and registered in the name of the common nominee of, Euroclear and Clearstream, Luxembourg. Except in the limited circumstances described in the Global Certificate, investors will not be entitled to receive definitive registered notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificate.

While the Notes are represented by the Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. The Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of Euroclear or Clearstream, Luxembourg to receive payments under the Notes (which may create delays) and the Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

**(5) RISKS ARISING FROM POTENTIAL CONFLICTS OF INTEREST**

**General**

Any Series Transaction Party and any of its affiliates may act in a number of capacities in connection with any issue of Notes. Any Series Transaction Party or any such affiliate, as the case may be, when acting in such capacities in connection with the transactions described herein in respect of any Series of Notes shall have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and shall not, by virtue of its or any affiliate acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to the relevant capacity.

Any Series Transaction Party and any of its affiliates in its various capacities may enter into business dealings relating to the Notes or Underlying Assets, or any asset to which the Notes or

Underlying Assets are exposed, including the acquisition and/or sale of the Notes and/or Underlying Assets, from which they may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor.

Any Series Transaction Party and any of its affiliates may from time to time be in possession of certain information (confidential or otherwise) and/or opinions with regard to the issuer or obligor of any Underlying Assets which information and/or opinions might, if known by a Noteholder, affect decisions made by it with respect to its investment in the Notes. Notwithstanding this, none of the Series Transaction Parties or any of their affiliates shall have any duty or obligation to notify the Noteholder or the Issuer or any other Series Transaction Parties (including any directors, officers or employees thereof) of such information and/or opinions.

Any Series Transaction Party and any of its affiliates may deal in any obligation of the issuer or obligor of any Underlying Assets and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the issuer or obligor of any Underlying Assets and may act with respect to such transactions in the same manner as if the Notes of the relevant Series did not exist and without regard to whether any such action might have an adverse effect on the issuer or obligor of any Underlying Assets, the Issuer or the Noteholders of the relevant Series.

Any Series Transaction Party and any of its affiliates may at any time be active and significant participants in or act as market maker in relation to a wide range of markets for currencies, instruments relating to currencies, securities and derivatives. Activities undertaken by any Series Transaction Party and any of its affiliates may be on such a scale as to affect, temporarily or on a long-term basis, the price of such currencies, instruments relating to currencies, securities and derivatives or securities and derivatives based on, or relating to the Notes or any Underlying Assets. Notwithstanding this, none of the Series Transaction Parties or any of their affiliates shall have any duty or obligation to take into account the interests of any party in relation to any Notes when effecting transactions in such markets.

One or more of the Series Transaction Parties and their affiliates may:

- (a) have placed or underwritten, or acted as a financial arranger, structuring agent or adviser in connection with the original issuance of, or may act as a broker or dealer with respect to the Underlying Assets;
- (b) act as trustee, paying agent and in other capacities in connection with certain of the Underlying Assets or other classes of securities issued by an issuer of, or obligor with respect to, the Underlying Assets or an affiliate thereof;
- (c) be a counterparty to issuers of, or obligors with respect to, certain of the Underlying Assets under a swap or other derivative agreements;
- (d) lend to certain of the issuers of, or obligors with respect to, the Underlying Assets or their respective affiliates or receive guarantees from such issuers, obligors or their respective affiliates;
- (e) provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of, or obligors with respect to, the Underlying Assets or their respective affiliates; or
- (f) have an equity interest, which may be a substantial equity interest, in certain issuers of, or obligors with respect to, the Underlying Assets or their respective affiliates.

When acting as a trustee, paying agent or in other service capacities with respect to the Underlying Assets, the Series Transaction Parties are entitled to fees and expenses (if not otherwise paid) senior in priority to payments on such Underlying Assets.

When acting as a trustee for other classes of securities issued by the issuer or obligor of any Underlying Assets or an affiliate thereof, a Series Transaction Party may owe fiduciary duties to the holders of such other classes of securities, which classes of securities may have differing interests from the holders of the class of securities of which the relevant Underlying Assets are a part, and may take actions that are adverse to the holders (including, where applicable, the Issuer) of the class of securities of which the relevant Underlying Assets are a part.

As a counterparty under swaps and other derivative agreements, a Series Transaction Party may take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralisation of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, a Series Transaction Party may take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the issuers of, or obligors with respect to, any Underlying Assets in bankruptcy and/or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's acquisition, holding and sale of the Underlying Assets may enhance the profitability or value of investments made by a Series Transaction Party in the issuers thereof or obligors in respect thereof.

As a result of all such transactions or arrangements between a Series Transaction Party and the issuers of, and obligors with respect to, the Underlying Assets or their respective affiliates, a Series Transaction Party may have interests that are contrary to the interests of the Issuer and the Noteholders and such a Series Transaction Party shall not be required to take into account the interests of the Issuer and/or the Noteholders when taking decisions about all such transactions or arrangements.

This means that activities performed or transactions or arrangements entered into by a Series Transaction Party in any of its capacities other than those under the Programme, could potentially affect the value of the Notes and/or of the Underlying Assets in unpredictable ways and Noteholders can lose or all or part of their investment as a consequence thereof.

### **The Note Trustee**

In connection with the exercise of its functions in respect of a Series, the Note Trustee shall have regard to the interests of the Noteholders of that Series as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

This means that any actions taken by the Note Trustee may not be in line with interest of certain individual Noteholders whose interests or considerations in respect of an investment in the Notes are different from those of the Noteholders of that particular Series considered as a class.

## **(6) RISKS RELATING TO CERTAIN TAX RULES**

### **Information Reporting**

On 9 December 2014, the EU Council adopted Council Directive 2014/107/EU (amending Council Directive 2011/16/EU) on the mandatory automatic exchange of information in the field of taxation to implement the OECD measures known as the "**Common Reporting Standard**".

Member States were required to implement this Directive in respect of taxable periods from 1 January 2016 and to begin exchanging information pursuant to such Directive no later than 30 September 2017 (subject to deferral under transitional rules in the case of Austria).

On 27 May 2015, the EU and Switzerland signed a Protocol amending their existing agreement relating to the taxation of savings income and transforming it into an agreement on automatic exchange of financial account information based on the Common Reporting Standard. The revised agreement also takes into account the provisions of the aforementioned Directive 2014/107/EU. The previous EU-Switzerland agreement relating to the taxation of savings income continued to be operational until 31 December 2016. From 1 January 2017, financial institutions in the EU and Switzerland commenced the due diligence procedures envisaged under the new agreement to identify customers who are reportable persons, i.e. for Switzerland, residents of any EU Member State. By September 2018, the national authorities should have reported the financial information to each other.

The United Kingdom also has its own tax information exchange legislation similar to FATCA (in relation to which see below) with the Crown Dependencies and Overseas Territories ("**CDOT**"). The Common Reporting Standard has replaced the CDOT reporting on a phased basis. Reporting related to the CDOT jurisdictions in respect of 2018 and subsequent years will be under the Common Reporting Standard.

On 10 November 2015, the EU Council adopted Council Directive 2015/2060/EU, repealing EC Council Directive 2003/48/EC ("**Savings Directive**") on the taxation of savings income with effect from 1 January 2016 (or 1 January 2017 in the case of Austria), subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates. The repeal of the Savings Directive is intended to prevent overlap between the Savings Directive and the Common Reporting Standard.

On 25 May 2018, the EU Council adopted Council Directive 2018/822/EU (amending Council Directive 2011/16/EU) on the automatic exchange of information in the field of taxation to introduce a set of mandatory disclosure rules ("**Mandatory Disclosure Rules**"). The Mandatory Disclosure Rules require the disclosure of certain information regarding reportable 'cross-border' arrangements to tax authorities and the information reported will be exchanged automatically among the EU Member States' tax authorities. An arrangement will be 'cross-border' where it concerns more than one EU Member State, or a Member State and a third country. Broadly, an arrangement will be reportable under the Mandatory Disclosure Rules if it exhibits one or more of the 'hallmarks' as set out in the directive. The information must be reported by persons who have acted as 'intermediaries' in such transactions and, in certain cases, taxpayers themselves. An 'intermediary' for these purposes is defined very broadly and includes any person that designs, markets, organises or makes available for implementation or manages the implementation of a reportable cross-border arrangement. Reporting obligations (originally not due until August 2020) applies since January 2021 but all reportable cross-border arrangements from 25 June 2018 must be disclosed. EU Member States were obliged to introduce implementing domestic legislation by 31 December 2019 and to apply the provisions in the Mandatory Disclosure Rules from 1 July 2020. Although Council Directive 2018/822/EU implementing the Mandatory Disclosure Rules is already in force, the exact application of the rules can only be determined



once final guidance and national rules implementing revised Council Directive 2011/16/EU become available.

Investors who are in any doubt as to their position should consult their professional advisers.

### **Tax Risks in General**

The tax treatment of the Notes may not be clear in certain jurisdictions. This can lead to unexpected deductions or other tax obligations.

Potential investors are advised not to rely upon the information on taxation contained in this document but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes.

Failure by investors to do so may result in adverse tax consequences (including breach of any applicable tax law) for the relevant investors as a result of their investment in the Notes.

### **FATCA**

An investor that fails to comply with certain tax identification and certification requirements, under rules colloquially referred to as FATCA, may be (i) subject to a 30% withholding tax on income (and possibly, in the future, sales and redemption proceeds) and (ii) forced to sell its Notes prior to their redemption, potentially at a significant loss. Prospective investors should refer to the Section "*Taxation in the United States—Foreign Account Tax Compliance Act*".

### **Income on Certain Series Treated as U.S. Source Income for U.S. Withholding tax Purposes**

Although the Notes will be issued by a non-U.S. entity, income on the Notes of certain Series may be at risk of being considered to arise in whole or in part from sources within the United States. Accordingly, as a matter of prudence, with respect to those Series, the Issuer will (and assumes intermediaries also will) treat all income as arising from sources within the United States and will make payments free of U.S. withholding (and backup withholding) taxes only if the holder supplies it with appropriate U.S. tax identification and certification forms, typically an U.S. Internal Revenue Service ("IRS") Form W-8BEN or W-8BEN-E. The Issuance Document for a Series will indicate that the Issuer intends to treat the income on that Series of Notes as arising from sources in the United States, if applicable.

### **U.S. Withholding on "Dividend Equivalent Payments" in respect of U.S. Equities**

With limited exceptions section 871(m) of the U.S. Internal Revenue Code and Treasury Regulations promulgated thereunder ("Section 871(m)") impose a withholding tax of 30 % (or lower treaty rate applicable to dividends) on certain "dividend equivalent payments" paid or deemed paid to non-U.S. investors in certain financial instruments linked to U.S. equities (which may include equity in certain partnerships) or indices that include U.S. equities (other than certain qualified indices). Under these rules, withholding may apply even where the relevant U.S. equity linked Security does not provide for any payment that is explicitly linked to a dividend. A proposed change of law, if enacted, would apply section 871(m) to certain transactions the payments on which are determined with reference to the income and gain arising from the equity in certain partnerships.

The applicable Issuance Document will indicate whether the Issuer has determined that payments made on the Notes are subject to withholding under Section 871(m) and, if so, will specify contact details for obtaining additional information regarding the application of Section 871(m) to the

Notes. The Issuer's determination is binding on non-U.S. holders of the Notes, but it is not binding on the IRS.

The Section 871(m) Regulations require complex calculations to be made with respect to Notes linked to U.S. securities and their application to a specific issue of Notes may be uncertain. Prospective investors should refer to the Section *"Taxation in the United States – Withholding under U.S. Internal Revenue Code of 1986 Section 871(m)."*

### **Withholding on Payments Received by the Issuer on “Dividend Equivalent Payments” in respect of U.S. Equities; Double Withholding**

**Alphabeta Notes.** Alphabeta is a “**qualified derivatives dealer**” (“**QDD**”) for U.S. federal income tax purposes. As a QDD, Alphabeta is not subject to U.S. withholding tax on dividend equivalent payments it receives on the swaps it enters into with the Swap Counterparty over U.S. equities. If Alphabeta loses its status as a QDD, dividend equivalent payments in relation to U.S. dividends (which may include distributions with respect to certain partnerships) it receives on its swaps will be subject to a 30 % withholding tax, which will be passed on to the holders of the Securities. This 30 % tax is in addition to, and is not offset by, a 30 % withholding tax on dividend equivalents paid (or deemed paid) on the Securities. None of these withholdings will be grossed-up. Accordingly, in the event the Issuer loses its status as a QDD, the Security holders will economically suffer two deductions of 30% (this is colloquially referred to as “Double Withholding”). See “Memel Notes” immediately below for a further discussion of Double Withholding.

**Memel Notes.** Memel does *not* currently intend to become a QDD for U.S. federal income tax purposes. See “Alphabeta Notes” immediately above. Accordingly, where a Note (a “**Section 871(m) Note**”) is subject to withholding under Section 871(m), the Issuer will typically also be subject to an additional 30% withholding tax on the income it earns on the assets that the Issuer uses to hedge its exposure under the Section 871(m) Note. To offset the potential cost of such withholding, the Issuer will assess an additional 30% charge against gross amounts of dividend equivalent payments made on such Section 871(m) Notes. This 30% charge is referred to herein as “Double Withholding” and will be in addition to the 30% withholding tax imposed under Section 871(m) itself. The amount of income that will be withheld under section 871(m) will be computed without regard to any double withholding. Further, for simplicity, Double Withholding will be computed as 30% of the dividend equivalent payments made on a Section 871(m) Note Security without any attempt to determine the specific amount that was withheld on the Issuer's assets attributable to the hedging of any particular Section 871(m) Note. Thus, the total amount that is effectively withheld will be 60% of any dividend equivalents payments. The Double Withholding likely will (and a portion of the withholding under Section 871(m) may) be treated as an adjustment to the amount payable on the Note Security and not as a withholding tax for U.S. and non-U.S. tax purposes, such as determining the amount of any foreign tax credit.

### **No Gross-up**

In the event that any withholding tax or deduction for tax is imposed (including, without limitation, through any law or regulation implementing a system of financial transaction tax in any jurisdiction, including the European Union, relating to any tax payable in respect of the transfer of, or issue or modification or redemption of, any financial instruments) on payments on (or the proceed of redemption or sale of) the Notes, the Noteholders will not be entitled to receive

additional amounts to compensate for such withholding tax and will not be reimbursed for the amount of any shortfall.

Further, the Noteholders may receive a lower price for the Notes in the secondary market or lower redemption proceeds when the Notes are redeemed.

### **Treaty Benefits and Foreign Tax Credits**

Central securities depositories in Sweden, Finland, Norway and Denmark do not (and other Clearing Systems may not) provide the identifying information regarding the beneficial owners of any U.S. equity linked Note that is necessary for an investor to obtain a reduced rate of withholding on dividend equivalent payments. Thus, the Issuer will not be able to reliably associate dividend equivalent payments with valid documentation and will be required to withhold from dividend equivalent payments at a rate of 30 per cent. If the beneficial owner of a Security is entitled to a reduced rate of withholding under a treaty, this will result in over-withholding. Non-U.S. investors should consult with their tax advisers regarding an investment in the Securities (including the possibility of obtaining a refund of the U.S. withholding tax).

In addition, an investor likely will not be able to claim a foreign tax credit in the country of its residence (i) for taxes that it incurs on account of its inability to qualify for a reduced rate under a treaty and (ii) in respect of double withholding.

## **(7) RISKS RELATING TO CERTAIN U.S. REGULATIONS**

### **U.S. Dodd-Frank Act**

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted 21 July 2010 ("**Dodd-Frank**"), establishes a comprehensive U.S. regulatory regime for a broad range of derivatives contracts (collectively referred to in this risk factor as "covered swaps"). Among other things, Title VII provides the U.S. Commodity Futures Trading Commission (the "**CFTC**") and the U.S. Securities and Exchange Commission (the "**SEC**") with jurisdiction and regulatory authority over many different types of derivatives that were previously traded over the counter, requires the establishment of a comprehensive registration and regulatory framework applicable to dealers in covered swaps and other major market participants, requires many types of covered swaps to be exchange-traded or executed on swap execution facilities and centrally cleared, and requires the imposition of capital and margin requirements for certain uncleared transactions in covered swaps.

While Title VII provided that it was to go into effect on 16 July 2011, the SEC and CFTC have repeatedly delayed compliance with many of Title VII's requirements through exemptive orders, no-action letters or other forms of relief. While the CFTC has finalised and adopted a body of regulations under Title VII and many of the obligations under those regulations have become effective, the SEC is significantly behind the CFTC and many of its rules are still in the proposal phase and are not yet in effect. As Title VII's requirements go into effect, it is clear that covered swap counterparties, dealers and other major market participants, as well as commercial users of covered swaps, will experience new and/or additional regulatory requirements, compliance burdens and associated costs.

Notwithstanding the contractual restrictions that have been imposed by the Issuer in order to fall outside the scope of certain regulatory regimes imposed pursuant to Dodd-Frank, there is no assurance that the Swap (if applicable) would not be treated as covered swaps under Title VII, nor is there assurance that the Issuer would not be required to comply with additional regulation under the U.S. Commodity Exchange Act, as amended, including by Dodd-Frank (the "**CEA**"), as described immediately below. If the Swap (if any) is treated as a covered swap under Title VII, the Issuer may be required to comply with additional regulation under the CEA and, moreover,

the Issuer could be deemed a commodity pool that is required to register as a commodity pool operator with the CFTC (see the risk factor titled "U.S. regulatory considerations – Risks relating to the U.S. Commodity Pool Regulation" below).

Such additional regulations and/or registration requirements may result in, among other things, increased reporting obligations and also in extraordinary, non-recurring expenses of the Issuer thereby materially and adversely impacting a transaction's value. Any such additional registration requirements could result in one or more service providers or counterparties to the Issuer resigning, seeking to withdraw or renegotiating their relationship with the Issuer. To the extent any service providers resign, it may be difficult to replace such service providers.

Under Dodd-Frank, any Swaps entered into between the Issuer and the Swap Counterparty may be subject to mandatory execution, clearing and documentation requirements. Even those Swap (if any) not required to be cleared may be subject to initial and variation margining and documentation requirements that may require modifications to existing agreements. Any of the foregoing requirements and/or other requirements or obligations under Dodd-Frank could materially increase costs associated with the Programme and could materially and adversely affect the value of the Notes.

Investors are urged to consult their own advisers regarding the suitability of an investment in any Notes.

### **Risks relating to U.S. Commodity Pool Regulation**

The CFTC has rescinded a rule which formerly provided an exemption from registration as a "commodity pool operator" (a "CPO") or a "commodity trading advisor" ("CTA") under the CEA in respect of certain transactions and investment vehicles involving sophisticated investors. Dodd-Frank also expanded the definition of "commodity pool" to include any form of enterprise operated for the purpose of trading in commodity interests, including swaps. It should also be Certificated that the definition of "swap" under Dodd-Frank is itself broad and expressly includes certain interest rate swaps, currency swaps and total return swaps. The term "commodity pool operator" has been expanded to include any person engaged in a business that is of the nature of a commodity pool or similar enterprise and in connection therewith, solicits, accepts, or receives from others, funds, securities or property for the purpose of trading in commodity interests, including any swaps. The CFTC has taken an expansive interpretation of these definitions, and has expressed the view that entering into a single swap could make an entity a "commodity pool" subject to regulation under the CEA. The CFTC has also provided extensive exemptive relief in respect of these matters although there is no guarantee that all or any aspects of the Programme will be able to take advantage of such relief.

As at the date of this Base Prospectus, no person has registered nor will register as a CPO of the Issuer under the CEA and the rules of the CFTC thereunder. No assurance can be made that either the U.S. federal government or a U.S. regulatory body (or other authority or regulatory body) will not take further legislative or regulatory action, and the effect of such action, if any, cannot be known or predicted. Notwithstanding the contractual restrictions that have been imposed by the Issuer in order to fall outside the scope of the CEA, if the Issuer were deemed to be one or more "commodity pools", then whoever is deemed to be acting as a CPO in respect thereof would be required to register as such with the CFTC. While there remain certain limited exemptions from registration, because the wording of these regulations applies to traditional commodity pools and was not drafted with transactions such as those contemplated in relation to the Programme in mind, these exemptions may not be available to avoid registration with respect to the Issuer or other parties. In addition, if the Issuer were deemed to be a "commodity pool", it would have to comply with a number of reporting requirements that are geared to traded commodity pools. Complying with these requirements on an ongoing basis could impose significant costs on the Issuer that may materially and adversely affect the value of the Notes. It is presently unclear how

an investment vehicle such as the Issuer could comply with certain of these reporting requirements on an ongoing basis. Such registration and other requirements would also involve material ongoing costs to the Issuer. The scope of such requirements and related compliance costs is uncertain but could materially and adversely affect the value of the Notes.

### **Risks relating to U.S. Volcker Rule**

On 10 December 2013, the SEC, the CFTC and three U.S. banking regulators approved a final rule to implement the Volcker Rule. Subject to certain exceptions, the Volcker Rule prohibits sponsorship of and investment in certain "covered funds" by "banking entities", a term that includes each the Dealer and most internationally active banking organisations (which may include the Swap Counterparty). Even if an exception allows a banking entity to sponsor or invest in a covered fund, the banking entity may be prohibited from entering into certain "covered transactions" with that covered fund. Covered transactions include (among other things) entering into a swap transaction if the swap would result in a credit exposure to the covered fund.

If the Issuer is considered a covered fund and if the Swap Counterparty or any affiliate of the Swap Counterparty were to be deemed to be a "sponsor" of the Issuer, the Swap Counterparty could be prohibited from maintaining the Swap with the Issuer, which could lead to an early termination of the Swap by reason of a regulatory event (howsoever defined in the terms of the Swap) and an early redemption of the Notes (see the risk factor titled "*Early redemption for Events of Default, tax or other reasons*" above). Such a scenario may thereafter restrict the types of Notes the Issuer may agree to issue.

If the Issuer in respect of a particular Series is considered a covered fund, the liquidity of the market for the Notes (whilst they remain outstanding) may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Notes. This could make it difficult or impossible for Noteholders to sell the Notes or it could materially and adversely affect their market value.

### **Qualified financial contracts**

In September 2017, the Board of Governors of the Federal Reserve System (the "**Board of Governors**") adopted a final rule (the "**Final Rule**") imposing restrictions on the ability of a party to call a default under, or to restrict transfers of, certain qualified financial contracts ("**QFCs**") entered into by any top-tier bank holding company identified by the Board of Governors as a global systemically important banking organisation (each a "**GSIB**"), the subsidiaries of any U.S. GSIB (with certain exceptions) or the U.S. operations of any foreign GSIB (with certain exceptions) (collectively, subject to certain exceptions, "**Covered Entities**"). The Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency have adopted parallel rules which are substantively the same as the Final Rule. A QFC includes, among other things, over-the-counter derivatives, repurchase agreements, contracts for the purchase or sale of securities and any credit enhancement in respect of the foregoing contracts (including a guarantee as well as a charge, pledge, mortgage or other similar credit support arrangement). In respect of each Series, the Swap Counterparty or the Dealer may be Covered Entities to which the Final Rule applies and the terms applicable to the Swap, the Dealer Agreement and the Trust Deed (as non-U.S. law governed contracts) are likely to constitute QFCs.

While the relevant U.S. federal banking laws and regulations (the "**U.S. Special Resolution Regimes**") provide for such restrictions on default rights and transfers, if the relevant contract is not governed by the laws of the United States or a state of the United States, a court outside the United States may decline to enforce such provisions even if a Covered Entity is in a proceeding under a U.S. Special Resolution Regime. To address this, the Final Rule requires a Covered Entity to ensure that each QFC it enters into (a "**Covered QFC**") includes provisions that (i) restrict default rights against such Covered Entity to the same extent as provided under the U.S. Special

Resolution Regimes and (ii) restrict the exercise of any cross-default rights against such Covered Entity based on any affiliate's entry into bankruptcy or similar proceedings.

In respect of each Series, each transaction document which constitutes a Covered QFC will include provisions which reflect these requirements and, as a result, the Issuer may face a delay in being able to enforce its rights against such a transaction party or be restricted from terminating such a transaction document.

## **(8) RISKS RELATING TO THE MARKET**

### **Market Value of Notes**

The market value of the Notes may be affected by a number of factors, including, but not limited to (i) the value and volatility of the Underlying Asset, if any and the creditworthiness of the issuers and obligors of any Underlying Asset, (ii) the value and volatility of any index, securities, commodities or property to which payments on the Notes may be linked, directly or indirectly, and the creditworthiness of the issuers or obligors in respect of any securities or other obligations to which payments on the Notes may be linked, directly or indirectly, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the Maturity Date and (v) any outstanding transaction fees (if payable out of the proceeds of redemption of the Underlying Assets). Any price at which Notes may be sold prior to the Maturity Date may be at a discount, which could be substantial, to the value at which the Notes were acquired on the Issue Date.

Prospective purchasers should be aware that not all market participants would determine prices in respect of the Notes in the same manner, and the variation between such prices may be substantial. Accordingly, any prices provided by the Dealer may not be representative of prices that may be provided by other market participants.

For this reason, any price provided or quoted by the Dealer should not be viewed or relied upon by prospective purchasers as establishing, or constituting advice by the Dealer concerning, a mark-to-market value of the Notes. The price (if any) provided by the Dealer is at the absolute discretion of the Dealer and may be determined by reference to such factors as it sees fit. Any such price may take into account fees, commissions or arrangements entered into by the Dealer with a third party in respect of the Notes and that Dealer shall have no obligation to any Noteholder to disclose such arrangements. Any price given would be prepared as of a particular date and time and would not therefore reflect subsequent changes in market values or any other factors relevant to the determination of the price.

Therefore, any subsequent transfer of the Notes by a Noteholder to third parties may be made at a price (which would generally reflect the market value of the Notes at that time) which may be different (and in some instances, materially different) from the price at which the Notes have been originally purchased from the Dealer. This means that the relevant Noteholder may potentially lose a substantial part of its investment if it decides to sell its Notes.

### **Limited liquidity of the Notes**

Although application may be made to admit the Notes to (i) the Euronext Official List and to trading on the Regulated Market or the GEM of the Irish Stock Exchange (Euronext Dublin), (ii) the Global Market or (iii) the official list or unregulated market of another stock exchange, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes.

Investors should note that the market for the Notes (if any) will be affected by, among other things, supply and demand for the Notes, and that, accordingly, it should not be assumed that there will

be a significant correlation between the market value of the Notes and the market value of the Underlying Assets. Prospective investors should be aware that the market value of the Notes may also be affected by events in the capital and credit markets which may have an effect on the market value of the Underlying Assets, the Issuer and/or similar structured securities generally.

In addition, the liquidity of any trading market (should any develop) in the Notes may be adversely affected by changes in the overall market for investment and non-investment grade securities. If such a trading market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors including prevailing interest rates and the market for similar securities.

Under normal market conditions, subject to applicable law and the Dealer's policies, the Dealer will use reasonable efforts to make a market for the Notes and quote bid and offer prices. However, the Dealer is under no obligation to continue to do so and may stop making a market at any time and therefore investors in the Notes should not rely, when making an investment decision in respect of the Notes, on the potential ability of the Dealer to make a market in respect of any Notes issued under the Programme.

Consequently, any investor of the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes as an investment in the Notes is only suitable for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with such lack of liquidity.

## OVERVIEW OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Base Prospectus and the Issuance Document relating to the Series of which any Note is a part:*

### General:

Under the Programme, each of the Issuers (as defined below) may from time to time issue secured notes ("**Secured Notes**") and unsecured notes (the "**Unsecured Notes**" and, together with the Secured Notes, the "**Notes**") on the terms set out herein, as further detailed in the applicable Issuance Document.

The aggregate principal amount of Notes outstanding under the Programme will not at any time exceed the Programme Limit (as defined below).

The Issuer at its discretion, in respect of a Series, may either (i) purchase bonds or notes of any denomination, type or issuer or other assets as specified in the relevant Issuance Document ("**Underlying Assets**") and/or (ii) obtain exposure to the reference assets specified in the relevant Issuance Document (the "**Reference Assets**") by either entering into a swap or other derivative (a "**Swap**") with the Swap Counterparty (as defined below) which references the Reference Assets or as otherwise specified in the relevant Issuance Document.

Notes issued under the Programme may be listed or unlisted, as specified herein.

Claims against the Issuer by holders of the Notes (the "**Noteholders**") of a particular Series will be limited to the Series Assets applicable to that Series. If the net proceeds of the enforcement or liquidation of the Series Assets for any Series are not sufficient for the Issuer to make all payments due in respect of the Notes of that Series, the other assets of the Issuer will not be available for payment of any shortfall arising therefrom.

Any such shortfall shall be borne by Noteholders of each Series as specified in the relevant Issuance Document.

The Issuer will not be obliged to make any further payment in excess of such net proceeds and accordingly no debt shall be owed by the Issuer in respect of any such shortfall remaining after either (i) in the case of Secured Notes realisation of the Mortgaged Property and application of the proceeds in accordance with the Trust Deed or (ii) in respect of Unsecured Notes, liquidation of the Unsecured Series Property and application of the proceeds in accordance with the Trust Deed.

None of the Note Trustee, the Security Trustee (if applicable) or any Noteholder may take any further action to recover such shortfall.

### Issuers:

Under the Programme, Memel Capital PCC ("**Memel**"), acting in respect of its protected cells from time to time or Alphabeta Access Products Ltd ("**Alphabeta**"), as specified in the relevant Issuance Document in respect of each Series of Notes (each of Memel acting in respect of its protected cells from time to time and Alphabeta, an "**Issuer**" and together the "**Issuers**").



Memel's Legal Entity Identifier number ("LEI") is 635400NB6CRZGWRNRQ75.

The registered office of Memel is at 47 Esplanade, St Helier, Jersey JE1 0BD. The share capital of Memel is £10,000 divided into 10,000 shares of £1.00 each of which two shares have been issued and are fully paid up and the share capital of the Memel is £10,000 divided into 10,000 shares of £1.00 each.

Alphabeta's LEI is 635400IVGSQEAHVLPB96.

The registered office of Alphabeta is at 47 Esplanade, St Helier, Jersey JE1 0BD. The share capital of the Alphabeta is £10,000 divided into 10,000 shares of £1.00 each of which two shares have been issued and are fully paid up.

References in this Base Prospectus to (i) the "Issuer" shall, unless otherwise specified, be construed as references to each of the Issuers separately; (ii) the "Notes" or a "Series of Notes" are respectively references to the "Notes" or "Series of Notes" issued by the relevant Issuer and (iii) the "Issuer" in respect of any particular Series of Notes are references to the Issuer of such particular Series of Notes.

Each Issuer will be solely responsible for the Notes issued by itself and such Notes and any obligations in connection thereto will not be the responsibility of any other Issuer under the Programme or any other person. In particular, for the avoidance of doubt, an Issuer shall not be responsible for and shall not be subject to any obligations in respect of the Notes issued by any other Issuer under the Programme and shall have no rights in connection thereto.

Noteholders in respect of a particular Series of Notes shall have recourse (within the limits provided for under the Programme) only against the relevant Issuer in respect of such Series of Notes and shall have no rights in respect of any other Issuer under the Programme or any other person.

Each Series of Notes issued by an Issuer (and relevant Series Assets (as defined below) in respect of such Series of Notes) shall be segregated from any other Series of Notes issued by the same Issuer (and the Series Assets (as defined below) in respect of any other Series of Notes), as specified below. In particular, (i) in respect of Notes issued by Alphabeta, segregation between various Series of Notes issued by Alphabeta (and relevant Series Assets (as defined below)) shall be based on the contractual provisions included in the Transaction Documents in respect of the relevant Series of Notes and (ii) in respect of Notes issued by Memel acting on behalf of any of its protected cells, segregation between various Series of Notes issued by Memel acting on behalf of any of its protected cells (and relevant Series Assets (as defined below)) shall be based on statutory provisions applicable under Jersey law in respect of protected cell companies (as specified below) and on the contractual provisions included in the Transaction Documents in respect of the relevant Series of Notes.

In particular, in respect of Notes issued by Memel, each Series of Notes are issued by Memel acting in respect of its relevant protected cell specified in the relevant Issuance Document for such Notes. Each such protected cell is a protected cell of Memel, being

a Jersey protected cell company, and the Noteholders in respect of a specific Series of Notes issued by Memel will only have recourse to the assets from time to time attributable to the protected cell represented by Memel in respect of the relevant Series of Notes as specified in the relevant Issuance Document for such Notes. Holders of Notes will not have recourse to any assets attributed to any other protected cell of Memel other than such protected cell or any assets held by Memel in its own capacity.

The establishment of the Programme was authorised:

- (a) in respect of Memel, by a resolution of the Board of Directors of Memel (the “**Memel Board**”) on 25 March 2021. This Base Prospectus was presented to the Memel Board in connection with the update of the Programme and approved by resolutions of the Memel Board passed on or around the date of this Base Prospectus. The issue of each Series of Notes will be authorised by a separate resolution of the Memel Board; and
- (b) in respect of Alphabeta, by a resolution of the Board of Directors of Alphabeta (the “**Alphabeta Board**”) on 27 September 2021. This Base Prospectus was presented to the Alphabeta Board in connection with the update of the Programme and approved by resolutions of the Alphabeta Board passed on or around the date of this Base Prospectus. The issue of each Series of Notes will be authorised by a separate resolution of the Alphabeta Board.

<b>Description:</b>	USD 50,000,000,000 Secured and Unsecured Note Programme.
<b>Programme Limit:</b>	Up to USD 50,000,000,000 (or the equivalent in other currencies at the trade date of the relevant Notes) aggregate principal amount of Notes outstanding at any one time.
<b>Dealer, Arranger and Note Custodian:</b>	Morgan Stanley & Co. International plc
<b>Calculation Agent:</b>	Morgan Stanley & Co. International plc or any other party as specified in the Issuance Document
<b>Disposal Agent:</b>	Morgan Stanley & Co. International plc. or any other party as specified in the Issuance Document
<b>Paying Agent:</b>	The Bank of New York Mellon, London Branch or any other party as specified in the Issuance Document
<b>Registrar:</b>	The Bank of New York Mellon SA/NV, Dublin Branch or any other party as specified in the Issuance Document
<b>Note Trustee:</b>	BNY Mellon Corporate Trustee Services Limited or any other party as specified in the Issuance Document

<b>Security Trustee:</b>	BNY Mellon Corporate Trustee Services Limited or any other party as specified in the Issuance Document
<b>Swap Counterparty:</b>	Morgan Stanley & Co. International plc, any of its affiliates or any other financial institutions, as specified in the Issuance Document
<b>Corporate Administrator:</b>	Crestbridge Corporate Services Limited. The registered office of the corporate administrator is at 47 Esplanade, St Helier, Jersey JE1 0BD
<b>Cash Account Bank:</b>	In the case of an Alphabeta Programme, The Bank of New York Mellon, London Branch
<b>Status of Notes:</b>	<p>The Notes of a Series will be issued either as Secured Notes and Secured Series Custodian Notes only or Unsecured Notes and Unsecured Series Custodian Notes only.</p> <p>The Secured Notes of each Secured Series (other than Secured Series Custodian Notes) will be secured limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves and secured in the manner described in "<i>Terms and Conditions of the Notes – Status, Security and Assets of the Issuer – Mortgaged Property</i>".</p> <p>The Unsecured Notes of each Unsecured Series (other than the Unsecured Series Custodian Notes) will be limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves, will not be secured and will have the rights described in "<i>Terms and Conditions of the Notes – Status, Security and Assets of the Issuer – Unsecured Series Property</i>". Recourse in respect of any Unsecured Series will be limited to the Unsecured Series Property in respect of that Unsecured Series.</p> <p>Recourse in respect of any Series will be limited to the Series Assets in respect of that Series. If the net proceeds of such Series Assets are not sufficient for the Issuer to make all payments due in respect of the Notes of that Series, the other assets of the Issuer will not be available for payment of any shortfall arising therefrom. Any such shortfall shall be borne by the Noteholders of such Series as specified in the relevant Issuance Document. The Issuer will not be obliged to make any further payment in excess of such net proceeds and accordingly no debt shall be owed by the Issuer in respect of such shortfall remaining after either (i) in respect of Secured Notes, realisation of the Mortgaged Property and application of the proceeds in accordance with the Trust Deed or (ii) in respect of Unsecured Notes, liquidation of the Unsecured Series Property and application of the proceeds in accordance with the Trust Deed. None of the Note Trustee, the Security Trustee, if applicable, or any Noteholder may take any further action to recover such shortfall. In particular, none of the Note Trustee, the Security Trustee, if applicable, or any Noteholder, shall be entitled to institute or join with any other person in bringing, instituting or joining insolvency, winding up or bankruptcy proceedings (whether court based or otherwise) in relation to the Issuer or any of its assets.</p>

In the case of Notes issued by Memel, holders of such Notes will not have recourse to any assets attributed to any other protected cell of Memel or any assets held by Memel in its own capacity.

**Series Assets:**

The Series Assets may include bonds or notes of any form, denomination, type and issuer or other assets as specified in the Issuance Document ("**Underlying Assets**"). The Series Assets will also include cash or assets held in a cash or custody account with the Custodian and any contractual rights which the Issuer has against its service providers and the Swap Counterparty and parties in Transaction Documents relating to a specific Series and any other assets specified in the relevant Issuance Document or Supplemental Trust Deed.

Series Assets of Secured Notes are referred to as Mortgaged Property. Series Assets of Unsecured Notes are referred to as Unsecured Series Property.

**Custodian:**

If specified in the Issuance Document for a Series as applicable, the Issuer may appoint The Bank of New York Mellon, London Branch as a custodian to hold the Series Assets or cash on the terms of the Custody Agreement for such Series.

**Mortgaged Property:**

The Secured Notes of each Secured Series (other than Secured Series Custodian Notes) will be secured in the manner set out in the relevant Issuance Document and Supplemental Trust Deed, which will include a charge on and/or assignment of and/or other security over or in respect of (i) certain Underlying Assets and all proceeds of, income from and sums arising from such Underlying Assets; (ii) all sums held by or on behalf of the Issuer in relation to the Underlying Assets of such Series; and (iii) the Issuer's right, title and interest under the Custody Agreement (if applicable) and any agreement under which the Issuer enters into the Swap or Swaps and/or by which the Issuer purchases the Underlying Assets in respect of such Secured Series and the Agency Agreement, together with security over such additional property as may be described in the Supplemental Trust Deed in respect of such Secured Series and/or the relevant Issuance Document.

**Unsecured Series Property:**

The Unsecured Notes of each Unsecured Series will not be secured. The Unsecured Notes (other than the Unsecured Series Custodian Notes) of an Unsecured Series will rely for their payment on, inter alia, (i) certain Underlying Assets and all proceeds of, income from and sums arising from such Underlying Assets; (ii) all sums held by or on behalf of the Issuer in relation to the Underlying Assets of such Unsecured Series; (iii) the Issuer's right, title and interest under the Custody Agreement (if applicable) and any agreement under which the Issuer enters into the Swap or Swaps and/or by which the Issuer purchases the Underlying Assets in respect of such Unsecured Series and the Agency Agreement and any other Related Agreement or Transaction Document to which the Issuer is a party, as may be described in the Trust Deed in respect of such Unsecured Series and/or the relevant Issuance Document.

**Method of issue of Notes:**

The Notes will be issued in series (each a "**Series**") on one or more issue dates. Notes of a Series shall be issued on identical terms (or

identical other than in respect of the issue date), the Notes of each Series being intended to be interchangeable with all other Notes of that Series (other than the Custodian Notes).

Notes (whether Secured Notes or Unsecured Notes) in a Series will be constituted by one or more Supplemental Trust Deeds for such Series. Secured Notes in a Secured Series will also be secured pursuant to such Supplemental Trust Deed for such Secured Series. Each Supplemental Trust Deed will be supplemental to the Principal Trust Deed, which contains the provisions common to all Series of Notes. The Supplemental Trust Deed for a single Series together with the Principal Trust Deed (together, the "**Trust Deed**" for a Series) will contain all the provisions for the issuance of the Notes of such Series.

**Issuance of a Series:**

On the first Issue Date of a Series:

- (1) the Issuer will issue the maximum number of Notes available in such Series (as set out in the Issuance Document) at a price per note as set out in the Issuance Document for such Notes;
- (2) the Dealer will pay to the Issuer the amount set out in the Issuance Document (such amount being the product of (i) the maximum amount of Notes of such Series and (ii) the price per Note therefor);
- (3) the Issuer will repurchase from the Dealer such amount of Notes that are not being sold by the Dealer to investors on the first Issue Date of such Series at a price per Note as set out in the Issuance Document (such price being the same as the price that the Issuer issues the issue of Notes under 1. above); and
- (4) the Issuer will pay to the Dealer the amount set out in the Issuance Document (such amount being the product of (i) the amount of Notes that are not being sold by the Dealer to investors on the first Issue Date and (ii) the price per Note therefor).

The payments due from the Dealer to the Issuer and from the Issuer to the Dealer will be netted. The Notes of such Series so repurchased will be held by the Note Custodian on behalf of the Issuer.

**Price of Notes:**

The Price of Notes will be specified in the Issuance Document.

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency as the Issuer and the Dealer may agree.

**Maturity:**

The Notes of a Series are expected to mature on the Maturity Date of such Series but will be subject to mandatory redemption in full in the circumstances described below and in Condition 9(b). The Notes of a Series may also be repurchased by the Issuer as described below.

Upon the occurrence of a Mandatory Redemption Event or an Event of Default and on the Maturity Date, all outstanding Notes are expected to be redeemed in an amount per Note equal to the Redemption Amount on such date.

With respect to the Maturity Date the Issuer will request the realisation of the Underlying Assets and request payments under the Swap or Swaps. If a Fixed Maturity Date is specified in the Issuance Document, and if any amounts are received by the Issuer after the Maturity Date then such amounts shall be retained by the Issuer and available to be distributed to its ultimate shareholders for the benefit of (i) in the case of Notes issued by Memel acting in respect of any of its protected cells, Memel or (ii) in the case of Notes issued by Alphabeta, The Oder Capital Charitable Trust. If a Scheduled Maturity Date is specified in the Issuance Document, then if the Issuer has not received by such Scheduled Maturity Date (a) the full cash proceeds of sale or redemption of the Underlying Assets and/or payments under the Swap or Swaps, the Maturity Date shall be the twentieth Business Day following such receipt.

**Custodian Notes:**

All Notes of a Series repurchased by the Issuer on the Issue Date of such Series shall be Custodian Notes for so long as they are held by the Note Custodian on behalf of the Issuer and either (a) for so long as the Notes of such Series are held through a clearing system, shall be held in the Note Custodian's client account at the applicable clearing system or (b) if the Notes of such Series are no longer held through a clearing system due to an exchange event for exchanging Global Notes to Definitive Notes as set out in the Principal Trust Deed, shall be represented by a global certificate (the "**Custodian Global Certificate**") held by the Note Custodian. While held through a clearing system, the Custodian Notes will be included in the total number of Notes issued through such clearing system, will be classed as Notes by the applicable clearing system, but the Note Custodian will renounce all rights that Notes have and will notify the clearing system accordingly. Such clearing system will treat the Notes held in the Note Custodian's client account as not having any rights while they are held in the Note Custodian's client account and will only have the same rights as other Notes upon transfer to a new investor.

Custodian Notes in respect of Secured Notes are referred to as "**Secured Series Custodian Notes**". Custodian Notes in respect of Unsecured Notes are referred to as "**Unsecured Series Custodian Notes**".

Custodian Notes carry no voting rights, do not bear interest and no amount of principal or interest is payable thereon and are not secured by any property. Custodian Notes are held by the Note Custodian on behalf of the Issuer either (a) for so long as an exchange event for exchanging Global Notes to Definitive Notes as set out in the Principal Trust Deed has not occurred, through the

Note Custodian's client account at a clearing system or (b) following an exchange event for exchanging Global Notes to Definitive Notes as set out in the Principal Trust Deed, through the Custodian Global Certificate.

On each date on which Custodian Notes are sold by the Issuer to the Dealer:

- (1) in the case of Notes that continue to be held through a clearing system, the Note Custodian shall transfer, in accordance with the applicable clearing system's transfer procedures, such number of Notes being sold that are held in the Note Custodian's client account to the Dealer's trading account at the applicable clearing system. The applicable clearing system will carry out such transfer in accordance with its standard transfer procedures and book entries will be effected within such clearing system, such that the total number of Notes held by the Note Custodian in the Note Custodian's client account will have been reduced by the number of Notes by which the number of Notes held by the Dealer in the Dealer's trading account (and then ultimately by the applicable participants, in the clearing system, for the new investors) have been increased. Such Notes transferred by the Note Custodian through the clearing system will, upon transfer, cease to be treated as 'Custodian Notes' and the clearing system shall note in its book entries that such transferred Notes then have all the rights that other Notes have. Morgan Stanley, as both Dealer and as the Note Custodian shall note in its records (outside of the clearing system) the number of Notes transferred and the total number of Notes remaining; or
- (2) in the case of Notes that are no longer held through a clearing system due to the occurrence of an exchange event for exchanging Global Notes to Definitive Notes as set out in the Principal Trust Deed, the Custodian Global Certificate shall be written down and a relevant number of Notes registered in the Register shall be registered in the name of the relevant new Noteholders (which shall be included on the Register) or the number of Notes held by an existing Noteholder will be increased accordingly, as applicable, such that, after such write-down and registration or increase, as applicable, have taken place in accordance with the provisions of the Agency Agreement and the applicable Trust Deed, the total number of Custodian Notes will have been reduced by the total number of Notes by which the number of Notes registered in the Register have been increased. The Custodian Notes resold to the Dealer will upon resale cease to be Custodian Notes and will be registered in the Register in the name of the Noteholders or the number of Notes held by an existing Noteholder will be increased accordingly. Such Notes will carry all of the rights which the existing Notes carry.

Custodian Notes shall be issued at the price set out in the relevant Issuance Document.

**Fungible Increases:**

A Series of Notes may comprise a number of tranches where necessary which will be issued on identical terms except for the Issue Date and the first payment of Interest. The Issuer is not required to determine whether any tranche of Notes is fungible with other tranche of Notes of the same Series for any legal or tax purpose. If a tranche is not fungible for a legal or tax purpose the existence of multiple tranches may have an adverse effect on the value of any tranche of the Series.

**Mandatory Early Redemption:**

Unless otherwise specified in the Issuance Document, each Series of Notes will be redeemed prior to the Maturity Date upon the occurrence of an Underlying Disposal Event, an Underlying Early Redemption Event or an Additional Disruption Event, and will be redeemed prior to the Maturity Date upon the occurrence of a Credit Event to the extent that Credit Event is applicable in the Issuance Document (as defined below, collectively referred to as “**Mandatory Redemption Event**”):

- (1) In the case of the following Underlying Disposal Events:
  - (a) where there has been a failure to pay on the due date an amount in respect of the Underlying Assets in relation to such Series (without, unless otherwise specified in the Issuance Document, regard to any grace period);
  - (b) where the Swap is early terminated in whole and is not replaced prior to such termination to the satisfaction to the Note Trustee;
  - (c) where the Issuer or the Issuing and Paying Agent would be required by law to withhold or account for tax on a payment due in respect of the Notes after the application of the Conditions and an Extraordinary Resolution of Noteholders has been passed to redeem the Notes;
  - (d) where Issuer would suffer tax in respect of payments due to it under the Swap or in relation to the Underlying Assets and an Extraordinary Resolution of Noteholders has been passed to redeem the Notes;
  - (e) where any exchange controls, transfer restrictions or tax are imposed on the Issuer or payments to be made to or by the Issuer, the cost to the Issuer of complying with its obligations under the Trust Deed or meeting its operative or administrative expenses would 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 by the Trustee as the principal obligor in respect of the Notes or the establishment of a branch office in another jurisdiction approved by the Trustee from which it may continue to carry out its functions under the Notes and Related Agreements 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;
  - (f) where there is any restructuring of the terms and conditions of the Underlying Assets, in the sole



determination of the Calculation Agent, is material in the context of the Note and/or any agreement in relation to the Notes; or

- (g) where the Issuer's performance under the Notes becomes or will be unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgment or order or directive of any governmental, legislative or judicial authority or power, including sanctions;

the Calculation Agent (acting on behalf of the Issuer) shall give notice thereof (the "**Disposal Event Notice**") to the Note Trustee, the Counterparty, the Issuer, the Disposal Agent, the Custodian and the Issuing and Paying Agent and the Registrar (in the case of Registered Notes) and the Note Custodian (in the case of Custodian Notes) and the Issuer shall give notice to the Noteholders in accordance with Condition 18 (*Notices*). Upon receipt of a Disposal Event Notice, and in the case of Disposal Events pursuant to Condition 9(b)(i)(C)(x) and 9(b)(i)(C)(y), following the passing of an Extraordinary Resolution of the Noteholders resolving that the Notes shall be redeemed, the Disposal Agent (acting on behalf of the Issuer), shall arrange for the sale of the Underlying Assets in accordance with any Condition 13(a)(*Disposal of Underlying Assets*). 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 Issuance Document) to the Noteholders (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.

- (2) In the case of an Early Redemption of the 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 Maturity Date (other than by reason of payment default, as referred to in Condition 12(a)(i) (*Non-payment*) or as contemplated in the Issuance Document) 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 Noteholders of the date on which the net proceeds of such redemption shall be applied as specified in Condition 9(b).

- (3) In the case of a Credit Event

If the Issuance Document so provides, if there has been, in the opinion of the Calculation Agent, a Credit Event (as specified and defined in the applicable Issuance Document), the Calculation 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 the Credit Event Redemption Amount). The Issuance Document shall

specify the basis for calculation of the amount (the "**Credit Event Redemption Amount**") payable upon redemption of the Notes in accordance with Condition 9(b)(iii) (*Credit Event*) which shall be determined by the Calculation 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 Issuance Document or agreed by the Trustee) to the Noteholders (which notice shall be irrevocable) of the date on which payment of the Credit Event Redemption Amount will be made to the Noteholders.

**Early Redemption at the option of the Issuer:**

If so specified in the Issuance Document, 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, 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 Issuance Document at their Redemption Amount together with interest accrued to, or Interest Amount payable on, the date fixed for redemption.

**Early Redemption at the option of the Noteholder:**

- (a) If so specified in the Issuance Document, 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 Issuance Document at its Redemption Amount together with interest accrued to, or the Interest Amount payable on, the date fixed for redemption.

**Coupon:**

Coupons may be fixed or variable. If fixed, the Coupon Amount will be calculated on the basis of fixed percentage rate of the Principal Amount. If variable, the Coupon Amount will be calculated with reference to an interest rate or, in respect of unlisted Notes, equity, equity basket, equity index, commodity index or formula as provided in the Issuance Document.

**Final Redemption Amount per Note:**

The Issuance Document will specify the basis for calculating the amounts payable on the Maturity Date which will may be calculated by reference to an interest rate, debt, equity, equity basket, equity index, commodity index or formula as provided in the Issuance Document.

**Early Redemption Amount per Note:**

The proceeds from the realisation of the Underlying Assets and the Swap, net of any claims of parties senior to the Noteholder according to the Order of Priority divided by the number of outstanding Notes (except for the Custodian Notes).

**Order of Priority:**

Subject to the Order of Priority as set out in the Issuance Document:

- (1) Trustee and taxes
- (2) Agents (as defined in the Issuance Document)
- (3) Swap Counterparty

(4) Noteholder

(5) Issuer

**Early repurchase:**

If a Noteholder or Noteholders request repurchase by the Dealer and the Dealer requests the Issuer to repurchase on no less than one Business Day notice, the Issuer may agree in its sole discretion to repurchase one or more Notes on a Business Day (each, a "**Purchase Date**").

To effect such repurchase, on the date on which the Issuer receives notice of such repurchase request, the Calculation Agent will request the Issuer to dispose of Underlying Assets and/or request the Swap Counterparty make a payment under the Swap to fund the Buy-back Amount.

Payment will be made to the Noteholders two Business Days after the Purchase Date (or such other number of days as specified in the Issuance Document) subject to the Issuer having received the proceeds of realisation of Underlying Assets and payments under the Swap, if applicable, one Business Day after such Purchase Date. If receipt of such is delayed, the repurchase of the Notes will be effected within two Business Days of receipt thereof by the Issuer.

If, in respect of any Notes repurchased prior to the Maturity Date, the Issuer subsequently receives, within 60 days of the Purchase Date of such Notes, further amounts from the Underlying Asset from the realisation of the Underlying Assets or the Swap Counterparty under the Swap in respect of such Notes, then the Issuer will pay to the former Noteholders their pro rata share of any such amounts. Any such amounts received by the Issuer after such 60 days will be retained by the Issuer.

All Notes repurchased by the Issuer may at the option of the Issuer be cancelled, in which case the obligations of the Issuer in respect of such Notes shall be discharged. Absent such cancellation and notwithstanding any other provision of the Conditions, the Notes repurchased by the Issuer shall be held by the Note Custodian on the Issuer's behalf and become Custodian Notes.

On each date on which Notes are repurchased by the Issuer from the Dealer:

- (1) in the case of Notes that are not cancelled as referred to above and continue to be held through a clearing system, the Dealer shall transfer, in accordance with the applicable clearing system's transfer procedures, such number of Notes being repurchased that are held in the Dealer's trading account to the Note Custodian's client account at the applicable clearing system. The applicable clearing system will carry out such transfer in accordance with its standard transfer procedures and book-entries will be affected within such clearing system, such that the total number of Notes held by the Note Custodian in the Note Custodian's client account will have been increased by the total number of Notes by which the number of Notes held by the Dealer in the Dealer's trading account (which had previously been transferred to the Dealer by the applicable

participants, in the clearing system, for the investors that are requesting such repurchase) have been increased. Such Notes transferred to the Note Custodian through the clearing system will, upon transfer, be treated as 'Custodian Notes' and the clearing system shall note in its book-entries that such transferred Notes no longer have the rights that other Notes have. Morgan Stanley, as both Dealer and as the Note Custodian shall note in its records (outside of the clearing system) the number of Custodian Notes transferred to it and the new total number of Custodian Notes; or

- (2) in the case of Notes that are not cancelled as referred to above and are no longer held through a clearing system due to the occurrence of an exchange event for exchanging Global Notes to Definitive Notes as set out in the Principal Trust Deed, the number of Notes registered in the Register shall be decreased (and the names of the applicable Noteholders removed from the Register or the size of their holdings decreased) and the Custodian Global Note marked up by the same number such that, after such decrease and mark-up have taken place in accordance with the provisions of the Agency Agreement and the applicable Trust Deed, the total number of Custodian Notes will have been increased by the total number of Notes by which the number of Notes registered in the Register has decreased.

**Restrictions and covenants:**

So long as any of the Notes remain outstanding, the Issuer will not, amongst other restrictions set out in the Conditions, declare any dividends (other than a dividend of up to US\$750 per Series or other series under alternative programmes of the Issuer), have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions) or issue any shares (other than such shares as were in issue on 29 May 2012).

The Issuer may from time to time (without the consent of the Noteholders) issue further Notes, subject to the conditions set out in Condition 20 (*Further Issues*).

**Cross Default:**

None.

**Withholding tax:**

In the event a withholding or deduction is required by law, the Issuer shall pay net of the relevant taxes and amounts withheld will be treated as having been paid to the Noteholder.

In the case of Notes the returns on which reference U.S. equities, so-called "Double Withholding" may apply. See "Withholding on Payments Received by the Issuer on 'Dividend Equivalent Payments' in respect of U.S. Equities; Double Withholding" below.

**Initial delivery of Notes:**

The Notes of each Series will be issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**"), serially numbered for such Series.

Bearer Notes will initially be represented by a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note or Definitive Notes.

Registered Notes will initially, and for so long as an exchange event for exchanging Global Notes to Definitive Notes as set out in the Principal Trust Deed has not occurred, be held through a clearing system. Such Notes of a Series will initially be represented by interests in a Registered Global Note, registered in the Register in the name of a nominee for the common depositary of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") and the Global Note shall be deposited with the Common Depositary.

Global Certificates may also be deposited with any other clearing system. Notes will be registered in the name of nominees or a common nominee for such clearing systems.

**Limited Recourse and Non-Petition:**

Each Series of Notes is issued by an Issuer on a limited recourse basis.

Each Series of Notes issued by an Issuer (and relevant Series Assets in respect of such Series of Notes) shall be segregated from any other Series of Notes issued by the same Issuer (and the Series Assets in respect of any other Series of Notes), as specified below. In particular, (i) in respect of Notes issued by Alphabeta, segregation between various Series of Notes issued by Alphabeta (and relevant Series Assets) shall be based on the contractual provisions included in the Transaction Documents in respect of the relevant Series of Notes and (ii) in respect of Notes issued by Memel acting on behalf of any of its protected cells, segregation between various Series of Notes issued by Memel acting on behalf of any of its protected cells (and relevant Series Assets) shall be based on statutory provisions applicable under Jersey law in respect of protected cell companies (as specified below) and on the contractual provisions included in the Transaction Documents in respect of the relevant Series of Notes.

Notes issued by Memel are issued by Memel acting in respect of the relevant protected cell as specified in the relevant Issuance Document. The relevant protected cell of Memel is a Jersey protected cell company, and holders of such Notes will only have recourse to the assets attributable from time to time to the relevant protected cell of Memel in respect of such Series of Notes. Holders of Notes will not have recourse to any assets attributed to any other protected cell of Memel other than the protected cell in respect of such Series of Notes or any assets held by Memel in its own capacity.

The Secured Notes (other than the Secured Series Custodian Notes) comprise secured, limited recourse obligations of the Issuer. The Unsecured Notes (other than the Unsecured Series

Custodian Notes) comprise unsecured limited recourse obligations of the Issuer.

In respect of a Series, the Noteholders shall have recourse only to the Series Assets of such Series, (subject, solely in the case of Secured Notes, always to the Security), and not to any other assets of the Issuer. Claims by Noteholders of a particular Secured Series (the "**Secured Noteholders**") and any other secured creditor will be limited to the Mortgaged Property of such Secured Series. Claims by Unsecured Noteholders of a particular Unsecured Series and any other unsecured creditors will be limited to the Unsecured Series Property of such Unsecured Series.

If, after the Series Assets for a Series has been exhausted (in the case of Secured Notes, pursuant to enforcement of the Security and in the case of Unsecured Notes, following all necessary processes) and following the application of the available cash sums derived therefrom in accordance with Conditions and the Trust Deed, any outstanding claim against the Issuer in respect of the Notes of such Series remains unpaid, then such outstanding claims will be extinguished and no debt will be owed by the Issuer in respect thereof.

Following such extinguishment, none of the Note Trustee, the Security Trustee (if applicable), the Noteholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum in respect of such Series.

None of the Note Trustee, the Security Trustee (if applicable), the Noteholders or any person acting on behalf of any of them may at any time institute, or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any other instruments issued by the Issuer (save for any further notes which form a single series with the Notes).

Such limited recourse and non-petition provisions shall survive maturity of the Notes and the expiration or termination of the Trust Deed.

**Clearing Systems:**

Clearstream, Luxembourg, Euroclear and, in relation to any Series, such other clearing system as may be agreed between the Issuer and the Dealer.

**Governing law:**

English law.

**Listing of Notes:**

Application may be made for certain Series of Notes to be listed on (i) the Euronext Official List and to trading on the Regulated Market of the Irish Stock Exchange (Euronext Dublin) or GEM, (ii) the Global Market of the Gibraltar Stock Exchange (MTF) or (iii) any other exchange as specified in the Issuance Document. As

specified in the applicable Issuance Document, a Series of Notes may be unlisted.

<b>Selling restrictions:</b>	United States, United Kingdom, European Economic Area, Germany, Jersey, Ireland and any other restrictions relevant to any Series. See " <i>Subscription and Sale and Selling Restrictions</i> ".
<b>Transfer restrictions:</b>	There are restrictions on the transfer of Notes. See Condition 2(a) below, and applicable selling restrictions set out in the section headed " <i>Subscription and Sale and Selling Restrictions</i> " and any restrictions set out in the form of Global Notes.
<b>Use of proceeds:</b>	The net proceeds of sale of the Notes of a Series and of any other Custodian Notes will be used by the Issuer to acquire the Underlying Assets.
<b>Extraordinary Event:</b>	The Condition in relation to Extraordinary Events are only applicable in relation to Notes linked to a single equity (" <b>Single Share Note</b> ") or a basket of equities (" <b>Share Basket Note</b> "). Extraordinary Events are merger event, tender offer, nationalisation, insolvency and delisting.
<b>Index Adjustment Event:</b>	Index Modification, Index Cancellation, Index Disruption
<b>Potential Adjustment Event:</b>	<p>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):</p> <ol style="list-style-type: none"><li>(1) 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;</li><li>(2) 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;</li><li>(3) an Extraordinary Dividend;</li><li>(4) a call by the Underlying Issuer in respect of relevant Underlying Shares that are not fully paid;</li><li>(5) a repurchase by an Underlying Issuer (as the case may be) or any of its subsidiaries of Underlying Shares, whether</li></ol>

out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

- (6) 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
- (7) 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:

- (8) 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

- (9) 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 8(n)(i)(B).

**Additional Disruption Event:** Means Change in Law, Hedging Disruption, Increased Cost of Hedging, Loss of Stock Borrow and any further event specified as Additional Disruption Event in the Issuance Document.

Consequence: Adjustment or Early Redemption

## 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 Issuance Document 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 Issuance Document which will provide for those aspects of these terms and conditions which are applicable to those Notes.*

References in the terms and conditions to:

- (i) "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Programme;
- (ii) the "Issuer" are references to the relevant Issuer in respect of the relevant Series of Notes, which may be Memel Capital PCC ("Memel") acting in respect of any of its protected cells from time to time or Alphabeta Access Products Ltd ("Alphabeta"), as specified in the applicable Issuance Document in respect of the relevant Series of Notes; and
- (iii) the "Notes" or a "Series of Notes" are respectively references to the "Notes" or "Series of Notes" issued by the relevant Issuer.

Each Issuer will be solely responsible for the Notes issued by itself and such Notes and any obligations in connection thereto will not be the responsibility of any other Issuer under the Programme or any other person. In particular, for the avoidance of doubt, an Issuer shall not be responsible for and shall not be subject to any obligations in respect of the Notes issued by any other Issuer under the Programme and shall have no rights in connection thereto.

Noteholders in respect of a particular Series of Notes shall have recourse (within the limits provided for under the terms and conditions) only against the relevant Issuer in respect of such Series of Notes and shall have no rights in respect of any other Issuer under the Programme or any other person.

Terms used in the Issuance Document 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 Issuance Document:

The Notes (as defined in Condition 1(a) (*Form and Denomination*) below), in the case of unsecured Notes ("Unsecured Notes") are constituted by and, in the case of secured Notes ("Secured Notes") are constituted and secured by, a principal trust deed dated on or about 1 March 2022 (as amended, supplemented and/or restated from time to time, the "Principal Trust Deed") between, *inter alios*, the Issuer specified in the Issuance Document in respect of such Notes (the "Issuer") and BNY Mellon Corporate Trustee Services Limited as note trustee for the Noteholders (the "Note Trustee" which expression shall include all persons for the time being the note trustee or note 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 Note Trustee for that Series) and, solely in the case of Secured Notes, in its separate capacity as security trustee for the Secured Creditors (the "Security Trustee", which expression shall include all persons for the time being the security trustee or security 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 Security Trustee for that Series) 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 8(o) (*General Definitions*) below), between the Issuer, the Note Trustee, the Security Trustee (in the case of a Secured Series only) and the other parties named therein (the Principal Trust Deed and such Supplemental Trust Deed being referred to herein as the "Trust Deed"). Each Series will either consist of Secured Notes and Secured Series Custodian Notes (as defined in Condition 3(b) (*Custodian Notes*) below) only (each a "Secured Series") or Unsecured

Notes and Unsecured Series Custodian Notes (as defined in Condition 3(b) (*Custodian Notes*) below) only (each, an "**Unsecured Series**").

The Notes will have the benefit (to the extent applicable) of an agency agreement dated on or about 1 March 2022 (as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") between, *inter alios*, the Issuer, the Note Trustee, the Security Trustee, The Bank of New York Mellon, London Branch as issuing and paying agent (the "**Issuing and Paying Agent**") together with any other paying agent appointed pursuant to the Agency Agreement in respect of the Series (each, a "**Paying Agent**"), Morgan Stanley & Co International plc as calculation agent (the "**Calculation Agent**"), disposal agent (the "**Disposal Agent**"), note custodian (the "**Note Custodian**"), and The Bank of New York Mellon S.A./N.V., Dublin Branch, as registrar (the "**Registrar**").

The Issuer may also enter into a Related Agreement (as defined in Condition 3(e) (*Related Agreements*)) including an ISDA Master Agreement, Schedule and Confirmation evidencing a related swap transaction (the "**Swap**") and credit support document (collectively, a "**Swap Agreement**") with Morgan Stanley & Co. International plc (the "**Swap Counterparty**").

As used herein, "**Calculation Agent**", "**Note Custodian**", "**Swap Counterparty**", "**Disposal Agent**", "**Registrar**" and "**Issuing and Paying Agent**" means, in relation to the Notes, the person specified in the Issuance Document relating to the Notes as the Calculation Agent, Note Custodian, Swap Counterparty, Disposal Agent, Registrar, and Issuing and Paying Agent respectively and, in each case, any successor to such person in such capacity.

The Issuer has also entered into a custody agreement dated on or about 1 March 2022 (as amended, supplemented and/or restated from time to time, the "**Custody Agreement**") between the Issuer, the Note Trustee, the Security Trustee and The Bank of New York Mellon, London Branch as custodian (the "**Custodian**", which expression includes any successor and any other custodian appointed in connection with any Notes). 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(d) (*Fungible Tranches of Notes comprising a Series*) below). Each Tranche will be subject to the applicable Final Terms or applicable Pricing Supplement (each an "**Issuance Document**") 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.

Statements in the Conditions are subject to the detailed provisions of the Trust Deed and the other Transaction Documents. Copies of the Principal Trust Deed, each Supplemental Trust Deed, any Supplementary Security Document (as defined in Condition (4) (*Security*) below), the Issuance Document, the Agency Agreement and the Custody Agreement are available for inspection at the specified offices of the Issuing and Paying Agent, the registered office of the Issuer as specified in the Issuance Document (save that, if the Notes are not admitted to the Irish Stock Exchange (Euronext Dublin) or the Global Market of the Gibraltar Stock Exchange (MTF), the Issuance Document 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 Issuing and Paying Agent as to its identity) and may be provided, by the Issuing and Paying Agent, by email to a Noteholder requesting copies of such documents, subject to the Issuing and Paying Agent being supplied by the Issuer with copies of such documents.

The Noteholders (as defined in Condition 1(b) (*Title to Bearer Notes and Registered Notes*)) 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 Issuance Document and to have notice of those provisions of the Agency Agreement, the Custody Agreement and any other Transaction Document applicable to them.

In relation to the Notes, the Dealer Agreement, the Principal Trust Deed, the Agency Agreement, the Expenses Agreement the Custody Agreement, the Issuance Document, the relevant Supplemental Trust Deed, any Security Document, any Related Agreement (as defined in Condition 3(e) (*Related*

*Agreements*)), the Notes of such Series and any other document(s) specified in the relevant Issuance Document or 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 be specified in the Issuance Document.

Words and expressions defined in the Trust Deed, the Agency Agreement, the Custody Agreement or used in the Issuance Document 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 Issuance Document, (b) *second*, the relevant Supplemental Trust Deed, (c) *third*, these Conditions, (d) *fourth*, the Principal Trust Deed, (e) *fifth*, the Agency Agreement, and (f) *sixth*, the Custody Agreement.

(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 can be classified as being in registered form, or are not registration required obligations, for U.S. Federal Income tax purposes, or (ii) in registered form ("**Registered Notes**") in an Authorised Denomination or an integral multiple thereof.

The Bearer Notes will initially be represented by a temporary global note (the "**Temporary Global Note**"), interests in which will be exchangeable for, as specified in the applicable Issuance Document, interests in a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Bearer Global Notes**" and each a "**Bearer Global Note**"), Bearer Notes in definitive form ("**Definitive Notes**"), Registered Notes in certificated definitive form (each a "**Registered Note Certificate**", which will be issued to each Noteholder in respect of its registered holding) or a combination of Definitive Notes and Registered Note Certificates. The Permanent Global Note will be exchangeable for Definitive Notes only on the limited exchange events set out therein. Each Bearer Global Note will be deposited with the common depositary for Euroclear or Clearstream, Luxembourg (the "**Common Depositary**").

The Registered Notes will be represented on issue by Registered Note Certificates or a registered global note (the "**Registered Global Note**" and, together with the Bearer Global Notes, the "**Global Notes**"), as specified in the applicable Issuance Document. The Registered Global Note will be exchangeable for Registered Note Certificates only on the limited exchange events set out therein. The Registered Global Note will be deposited with, and registered in the name of a nominee for, the Common Depositary.

Each subscriber shall be credited in the records of Euroclear or Clearstream, Luxembourg with a number of Notes equal to the number thereof for which it has subscribed and paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the holder of the Global Note in respect of each amount so paid.

"**Authorised Denomination**" means the currency and denomination or denominations specified in the Issuance Document. References herein to "**Notes**" shall include Bearer Notes

and Registered Notes,. Bearer Notes of one Authorised Denomination may not be exchanged for Bearer Notes of another Authorised Denomination.

Interest bearing Bearer Notes in definitive form 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 Issuing and Paying Agent or any other Paying Agent specified in the Issuance Document. Any Bearer Note in definitive form 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 relevant Issuance Document as the final date on which the principal amount of the Note is due and payable.

(b) *Title to Bearer Notes and Registered Notes*

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

In these Conditions:

- (i) subject as provided 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 "**Talontholders**"); and
- (ii) references to the Notes shall be references to the Notes of the relevant Series and shall mean:
  - (a) in relation to any Notes represented by a Global Note, units of each Authorised Denomination in the specified currency;
  - (b) any Global Note;
  - (c) any Definitive Notes issued in exchange for a Bearer Global Note; and
  - (d) any Registered Note Certificates (whether or not issued in exchange for a Registered Global Note).

(c) *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.

(d) *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 relevant Issuance Document. 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 (as defined in Condition 4 (*Security*)) for the Original Tranche or Original Tranches and the Related Agreement (as defined in Condition 3(e) (*Related Agreements*)) below for the Original Tranche or Original Tranches will be amended to apply to both the Original Tranche or Original Tranches and such Further Tranche. It is not a requirement that any Tranche of Notes be fungible with any other tranche of Notes of the same Series for any legal, tax or other purpose.

(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) (*Closed Periods*) but only if so specified in the Issuance Document, 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. Where, however, a Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 10(b) (*Registered Notes*)) for any payment of interest or Interest Amount (as defined in Condition 8(o) (*General Definitions*)), 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*

Subject to Condition 2(e) (*Closed periods*), a 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, or a Bearer Note to be exchanged for a Registered 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) *Status*

- (i) The Notes, Coupons and Receipts (if any) are limited recourse obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 14 (*Limited Recourse*). The Notes may be secured or unsecured (as specified in the relevant Issuance Document) and will rank *pari passu* without any preference among themselves.
- (ii) The Secured Notes of each Secured Series (other than Secured Series Custodian Notes) will be secured limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves and secured in the manner described in Condition 4 (*Mortgaged Property*).
- (iii) The Unsecured Notes of each Unsecured Series (other than the Unsecured Series Custodian Notes) will be limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves, will not be secured and will have the rights described in Condition (5) (*Unsecured Series Property*). Recourse in respect of any Unsecured Series will be limited to the Unsecured Series Property in respect of that Unsecured Series.

(b) *Custodian Notes*

- (i) On the Issue Date, the Issuer will repurchase the number of Notes stated in the Issuance Document from the Dealer at their issue price. The Notes so repurchased by the Issuer (the "**Custodian Notes**") will be held by the Note Custodian on behalf of the Issuer on or about the date in which they are repurchased. Custodian Notes carry no voting rights, do not bear interest and no amount of interest or principal is payable thereon and are not secured by any property.
- (ii) Custodian Notes in respect of Secured Notes are referred to as "**Secured Series Custodian Notes**". Custodian Notes in respect of Unsecured Notes are referred to as "**Unsecured Series Custodian Notes**".

(c) *Conditions Precedent to sale of Notes after the Issue Date*

On any Business Day after the Issue Date of a Series the Issuer may sell, via the Dealer, to existing or new Noteholders further Notes in such Series on an Underlying Asset Subscription Date (by transferring Custodian Notes which upon transfer will become Notes with all the rights that the other Notes have), subject to the following conditions and provided that:

- (i) the proceeds of sale of such Custodian Notes are applied to purchase Underlying Assets ("**Further Underlying Assets**") which are fungible with the Underlying Assets purchased by the Issuer in respect of the relevant Series of Notes and/or in deliveries or payments of amounts under the Swap Agreement;
- (ii) any corresponding payments pursuant to the terms of the relevant Swap being made in connection with Condition 3(c)(i);



- (iii) the Calculation Agent has confirmed that the Issuer is expected on the next Underlying Asset Subscription Date to have a sufficient number of Custodian Notes available for purchase to meet each individual Noteholder's request;
- (iv) the Subscription Conditions Precedent have been satisfied; and
- (v) the Requested Fungible Notional is equal to or greater than the US\$ equivalent (or the equivalent in other currencies), at such time, of €100,000 (or such other greater amount as may be agreed between the Calculation Agent and the Dealer).

On a Business Day on which the Dealer has requested the sale of Custodian Notes, the Issuer will direct the Note Custodian to sell to the Dealer for on-sale to the existing or new Noteholders and the Dealer will agree to purchase on the following Underlying Asset Subscription Date such number of Custodian Notes as the Calculation Agent in its sole discretion may determine considering the purchase price of the Further Underlying Assets and the Custodian Note Price, and the Dealer will pay to the Note Custodian no later than 2pm on the date falling two Business Days prior to such Underlying Asset Subscription Date an amount equal to the aggregate Requested Fungible Notional and the Note Custodian will remit such amount promptly to the Issuer and/or the Swap Counterparty, if applicable, on behalf of the Issuer.

The Custodian Notes being sold will be sold to the Dealer at the Custodian Note Price as of the relevant Underlying Asset Subscription Date and will cease to be Custodian Notes as of such date.

If the product of the total number of Custodian Notes sold to the Dealer as of any Underlying Asset Subscription Date, and Custodian Note Price as of the relevant Underlying Asset Subscription Date is less than an amount in the equivalent currency of the aggregate Requested Fungible Notional (such difference, a "**Balancing Amount**"), then any Balancing Amount due to the Dealer on behalf of the Noteholders shall be retained by the Issuer.

In this Condition 3(c), the following terms have the meanings given below:

**"Custodian Note Price"** means, on any date on which such price is to be determined, an amount per Note equal to the price of the Underlying Assets held by the Issuer in respect of such Series of Notes, referenced by the Swap, as the case may be.

**"Requested Fungible Notional"** means, in relation to an Underlying Asset Subscription Date, the aggregate value of the Notes which the Dealer wishes to purchase per Noteholder on an Underlying Asset Subscription Date.

**"Subscription Conditions Precedent"** means the conditions precedent to the issue of the Notes and purchase of Custodian Notes on an Underlying Asset Subscription Date as set out in the Dealer Agreement.

**"Underlying Asset Subscription Date"** means in relation to a request for sale of further Notes to the Dealer, the second Business Day following the date on which such request has been received by the Issuer.

(d) *Instructing Creditor*

In respect of any Series of Notes, the **"Instructing Creditor"** shall be the Noteholders whereby any instruction to the Note Trustee to take the relevant action is by either (i) a request in writing of the holders of at least one fifth in principal amount of the Notes of such Series then outstanding or (ii) by means of an Extraordinary Resolution of such Noteholders.

Having received such a request from the Instructing Creditor, the Note Trustee shall be entitled to act in accordance with such request and shall not be obliged to consider the interests of any other creditors.

The Security (as defined in Condition 4 (*Security*)) will become enforceable upon the Note Trustee giving an Enforcement Notice (as defined in Condition (12) (*Events of Default*)) 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 Note Trustee shall not be bound to give any Enforcement Notice in respect of any Series of Notes, to enforce payment of any amount due and payable under or pursuant to the Notes of any Series or otherwise to take any steps or institute any proceedings against the Issuer or any other party to the Transaction Documents or to instruct the Security Trustee to take such steps or proceedings, to enforce the Security or to take any other action under the Transaction Documents 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.

The Note 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. The Security Trustee will not, and will not be bound to, take any steps, institute any proceedings, exercise any of its rights, authorities or discretions and/or take any other action under or in connection with any of the Transaction Documents (including, without limitation, enforcing the Security) unless (i) it has been directed to do so by the Note Trustee or, if there are no Notes outstanding, any other Secured Creditor (each, an "**Instructing Party**") and (ii) it has been secured and/or pre-funded and/or indemnified to its satisfaction.

(e) *Related Agreements*

In connection with the issue of the Notes of any Series, the Issuer will, if so specified in the Issuance Document, 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**").

(4) **Security**

If it is stated in the Issuance Document that the Notes are Secured Notes then, unless otherwise specified in the Supplemental Trust Deed, 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 Note Trustee on its own behalf and on behalf of the Secured Noteholders and to the Security Trustee, the Agents, the Dealer, the Arranger, the Swap Counterparty, and each other entity to whom Secured Obligations are owed by the Issuer as specified in the Supplemental Trust Deed (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 6(d) (*Substitution of Underlying Assets*) (if applicable)), any relevant Related Agreement, the Issuer's rights in and to the Custody Account and Cash Account, and such other assets as are specified in the Issuance Document or the Supplemental Trust Deed on which the Notes of a Series are secured (the "**Mortgaged Property**").

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 Issuance Document (the security interests created under the Security Documents together, the "**Security**").

Cash amounts generated by the Mortgaged Property will be utilised by the Issuer in making payments due in respect of the Secured Notes (other than Secured Series Custodian Notes).

(5) **Unsecured Series Property**

If it is stated in the Issuance Document that the Notes are Unsecured Notes then, unless otherwise specified in the Supplemental Trust Deed, the Trust Deed will provide that the obligations of the Issuer to the Note Trustee on its own behalf and on behalf of the Unsecured Noteholders are not secured and instead the Unsecured Notes (other than the Unsecured Series Custodian Notes) of an Unsecured Series will have recourse for their payment to *inter alia* the contractual rights of the Issuer in respect of the Unsecured Series Property (as defined in the relevant Issuance Document).

Cash flows generated by the Unsecured Series Property will be utilised by the Issuer in making payments due in respect of the Unsecured Notes (other than the Unsecured Series Custodian Notes) though no security will be taken over any such Unsecured Series Property.

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

(a) Subject to the Issuance Document in respect of a Series of Notes, in the event of:

- (i) in the case of Secured Notes, the security created by the Security Documents becoming enforceable as provided in Condition (12) (*Events of Default*), the Security Trustee shall have the right to enforce its rights under the Security Documents in relation to the relevant Mortgaged Property only acting on the instructions of the Instructing Party; or
- (ii) an Underlying Disposal Event (as defined in Condition 9(b) (*Mandatory Redemption*)), the Disposal Agent 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 or Noteholder, provided that the Security Trustee shall not be required to take any action that would involve the Security Trustee in any liability or expense unless instructed by the Instructing Party and previously indemnified and/or secured and/or pre-funded to its satisfaction.

**(b) Application of Proceeds**

Unless otherwise specified in the relevant Supplemental Trust Deed and the Issuance Document in respect of the relevant Series of Notes, all monies received by the Security Trustee on an enforcement of the Security (in respect of a Series of Secured Notes) or by the Note Trustee upon realisation of the Unsecured Series Property (in respect of the Unsecured Notes), or otherwise received by the Security Trustee or the Note Trustee in respect of a Series of Notes shall be held on trust for the benefit of the Noteholders, the Note Trustee itself, the Security Trustee itself and/or the other Secured Creditors (as applicable) to be applied in accordance with the following priority of payments:

- (i) **first**, in payment or satisfaction of the fees, costs, charges, expenses and liabilities, and any other amounts (including by way of indemnity or reimbursement), incurred by the Note Trustee and/or any Note Trustee Appointee and, in the case of the Secured Notes, the Security Trustee, any receiver and/or any other Security Trustee Appointee in relation to the relevant Series in preparing and executing the trusts under the Trust Deed in relation to the Notes and in carrying out their functions under the Trust Deed including any taxes required to be paid, the Note Trustee's and/or the Security Trustee's remuneration and (solely in the case of Secured Notes) the costs of realising any security to the extent not paid pursuant to the Expenses Agreement;
- (ii) **secondly**, pro rata to the respective amounts then due, to pay the fees, costs, charges, expenses and liabilities, and any other amounts (including by way of indemnity or reimbursement), incurred by the Agents in carrying out their functions under the Agency Agreement and/or the Custody Agreement, in each case, to the extent not paid pursuant to the Expenses Agreement;

(iii) *thirdly*:

(a) if "**Counterparty Priority**" is specified in the Issuance Document:

- (i) *first*, rateably in meeting the claims (if any) of each Swap Counterparty under the Related Agreement(s);
- (ii) *secondly*, rateably in meeting the claims (if any) of the holders of Notes, Coupons and Receipts. If the monies received by the Note Trustee or, as the case may be, the Security Trustee are not enough to pay such amounts in full, the Note Trustee or, as the case may be, the Security Trustee shall apply them pro rata on the basis of the amount due to each holder of Notes, Coupons and Receipts entitled to such payment; and
- (iii) *thirdly*, in payment of the balance (if any) to the Issuer.

(b) if "**Noteholder Priority**" is specified in the Issuance Document:

- (i) *first*, rateably in meeting the claims (if any) of the holders of Notes, Coupons and Receipts. If the monies received by the Note Trustee or, as the case may be, the Security Trustee are not enough to pay such amounts in full, the Note Trustee or, as the case may be, the Security Trustee shall apply them pro rata on the basis of the amount due to each holder of Notes, Coupons and Receipts entitled to such payment; and
- (ii) *secondly*, rateably in meeting the claims (if any) of each Swap Counterparty under the relative Related Agreement(s); and
- (iii) *thirdly*, in payment of the balance (if any) to the Issuer.

(c) If "**Other Priority**" is specified in the Supplemental Trust Deed and/or the Issuance Document relating to such Series, the Note Trustee or, as the case may be, the Security Trustee shall apply all monies received by it under the provisions of the Principal Trust Deed and the Supplemental Trust Deed relating to such Series in connection with the realisation or enforcement of the Security constituted thereby, as set out in the Supplemental Trust Deed and the Issuance Document relating to such Series.

(c) *Shortfall after application of proceeds*

If the net proceeds of (i) in the case of Secured Notes, the Security being enforced and liquidated in accordance with the Security Documents or (ii) in the case of Unsecured Notes, the liquidation of the Unsecured Series Property are not sufficient, after payment of the claims (if any) ranking in priority to the Notes, to cover all payments due in respect of the Notes, the obligations of the Issuer in respect of the Notes will be limited to such net proceeds and such net proceeds shall be applied in accordance with the Trust Deed and no other assets of the Issuer will be available for any further payments in respect of the Notes. The right to receive any further payments in respect of any shortfall remaining after enforcement of the Security or liquidation of the Unsecured Series Property, as applicable, and application of the proceeds thereof in accordance with the Trust Deed shall be extinguished and failure to make any payment in respect of any shortfall shall in no circumstances constitute an Event of Default (as defined in Condition (12) (*Events of Default*)).

(d) *Substitution of Underlying Assets*

If specified in the Issuance Document, the Issuer may from time to time, upon approval by an Extraordinary Resolution of the Noteholders to the Issuer or otherwise in accordance with the provisions set out in the relevant Issuance Document, 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

Note Trustee and/or Security Trustee (as applicable) 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 (Euronext Dublin), the Global Market of the Gibraltar Stock Exchange (MTF) 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 (18) (*Notices*).

(7) **Issuer 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 or the transaction documents in respect of the Issuer's other programmes ("**Alternative Programme Agreements**"):

- (i) use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with, any of its property or assets or any interest therein or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;
- (ii) lend money;
- (iii) purchase, own lease or otherwise acquire any real or heritable property (including office premises or like facilities);
- (iv) (1) create or permit to exist upon or effect any mortgage, charge, pledge, lien or other encumbrance whether fixed, floating or otherwise, upon the whole or any part of its property or assets, present and future other than in any case as may arise by operation of law or (2) sign, file or register under applicable law any mortgage, debenture or the like which names the Issuer as debtor, or sign or enter into any security agreement authorising any secured party thereunder to file or register such mortgage, debenture or the like, except, in relation to (1) and (2) above in the case of the Secured Notes, any such instrument solely securing the rights and preserving the security of the Security Trustee on behalf of the secured creditors;
- (v) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (vi) consolidate with or merge with or into any other person or convey or transfer its properties or assets substantially in their entirety to any person;
- (vii) have, form or cause to be formed any subsidiary or have any employees or premises;
- (viii) issue any further shares in the Issuer, or issue any warrants or options in respect of shares in the Issuer, of securities convertible into or exchangeable for shares in the Issuer;
- (ix) issue any Notes in respect of which the recourse of the Noteholders is not limited to Series property (as defined in the relevant Conditions and Issuance Document);
- (x) declare or pay any dividend (other than a dividend of up to US\$750 per Series or other series under alternative programmes of the Issuer) or make any other distribution to the holders of any of its shares;
- (xi) open, operate or have an interest in any bank account relating to the Notes, save as may be contemplated by the Transaction Documents;

- (xii) permit the validity or effectiveness of any of the Transaction Documents, or, in the case of Secured Notes, the priority of the security interests created thereby, to be amended, terminated or discharged, or consent to any variation of, or exercise of any powers of consent or waiver pursuant to the terms of, the Trust Deed, these Conditions or any of the other Transaction Documents, or permit any party to any of the Transaction Documents or, in the case of Secured Notes, any other person whose obligations form part of the Security to be released from such obligations, or, in the case of Secured Notes, dispose of any interest in any of the Security;
- (xiii) approve, sanction or propose any amendment to its constitutional documents; or
- (xiv) engage in any activity that could cause it to become subject to any tax on its income in any jurisdiction, other than at a rate of zero per cent (other than U.S. withholding tax on its income to the extent the cost of such tax is borne by the holders of Notes pursuant to so-called Double Withholding (as defined below), if such Double Withholding is indicated as applicable in the Issuance Document).

Where a Note (a “**Section 871(m) Note**”) is subject to withholding under Section 871(m), the Issuer will typically also be subject to an additional 30% withholding tax on the income it earns on the assets that the Issuer uses to hedge its exposure under the Section 871(m) Note. To offset the potential cost of such withholding, the Issuer will assess an additional 30% charge against gross amounts of dividend equivalent payments made on such Section 871(m) Notes. This 30% charge is referred to herein as “**Double Withholding**” and will be in addition to the 30% withholding tax imposed under Section 871(m) itself. The amount of income that will be withheld under section 871(m) will be computed without regard to any double withholding. Further, for simplicity, Double Withholding will be computed as 30% of the dividend equivalent payments made on a Section 871(m) Note Security without any attempt to determine the specific amount that was withheld on the Issuer’s assets attributable to the hedging of any particular Section 871(m) Note. Thus, the total amount that is effectively withheld will be 60% of any dividend equivalents payments. The Double Withholding likely will (and a portion of the withholding under Section 871(m) may) be treated as an adjustment to the amount payable on the Note Security and not as a withholding tax for U.S. and non-U.S tax purposes, such as determining the amount of any foreign tax credit.

In giving any consent to the foregoing in respect of Notes, the Note Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (and may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Note Trustee may deem expedient (in its absolute discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer as to the matters contained therein. Any modification or additions to the provisions of any of the Transaction Documents shall be binding on the Noteholders of such Series.

***The Note 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.***

**(8) Calculation of Interest Amount and Redemption Amount and provisions relating to Equity-Linked Notes**

The Interest Amounts and the Redemption Amount, as applicable, in respect of the Notes shall be determined in accordance with this Condition 8 (*Calculation of Interest Amount and Redemption Amount and provisions relating to Equity-Linked Notes*), as further specified in the applicable Issuance Document. Such amounts are intended to reflect the proceeds of the Underlying Assets and/or arising from the Swap Agreement, as applicable, in respect of the relevant Series of Notes and are subject to Condition 14 (*Limited Recourse*).

(a) *Interest on Fixed Rate Notes*

This Condition 8(a) (*Interest on Fixed Rate Notes*) is applicable only if the Issuance Document specifies the Notes as "**Fixed Rate Notes**".

Each Fixed Rate Note bears interest on its Principal Amount (or as otherwise specified in the Issuance Document) from and including the Interest Commencement Date at the Fixed Interest Rate, such interest being payable in arrear (unless otherwise specified in the Issuance Document) on each Interest Payment Date (as defined in Condition 8(o) (*General Definitions*)).

If a Fixed Coupon Amount or a Broken Amount is specified in the Issuance Document, 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 Issuance Document.

(b) *Business Day Convention*

If any date referred to in these Conditions or the Issuance Document 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 Issuance Document 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**" or "**Modified 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 Issuance Document as the Specified Period (as defined in the relevant Issuance Document) 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**" or "**Unadjusted**" 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 8(c) (*Interest Rate on Floating Rate Notes*) is applicable only if the Issuance Document specifies the Notes as "**Floating Rate Notes**".

(i) (*Interest*)

Each Floating Rate Note bears interest on its Principal Amount (or as otherwise specified in the Issuance Document) from and including the Interest Commencement Date at the Interest Rate (as determined in accordance with this Condition 8(c) (*Interest Rate on Floating Rate Notes*)) (unless otherwise specified in the Issuance Document) on each Interest Payment Date (as defined in Condition 8(o) (*General Definitions*)).

(ii) (*Screen Rate Determination*)

Subject to the provisions of Condition 8(c)(iv) (*Provisions specific to SOFR as Reference Rate*), Condition 8(c)(v) (*Provisions specific to SONIA as Reference Rate*), Condition 8(d) (*Relevant Rates Benchmark Discontinuation or Prohibition on Use*), where such provisions are specified to apply in the Issuance Document, Condition 8(e) (*Effect of Benchmark Transition Event*) or Condition 8(f) (*General Fallback Arrangements*), if "Screen Rate Determination" is specified in the Issuance Document 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 or any relevant day (each a "**Relevant Day**") will be the Screen Rate for such Interest Period or such Relevant Day, plus or minus (as indicated in the Issuance Document) the Margin (if any is specified in the applicable Issuance Document in relation to such Screen Rate) and multiplied by the Interest Participation Rate (if any is specified in the applicable Issuance Document in relation to such Screen Rate).

The "**Screen Rate**" applicable to the Notes for an Interest Period or a Relevant Day will be determined by the Calculation Agent on the following basis:

- (A) 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 in respect of such Interest Period or such Relevant Day;
- (B) 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 in respect of such Interest Period or such Relevant Day;
- (C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) 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 in respect of such Interest Period or such Relevant Day 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
- (D) 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 or for a Relevant Day and in the Representative Amount; **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 or Relevant Day, 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 or Relevant Day.

(iii) *(ISDA Determination)*

Subject to the provisions of Condition 8(c)(iv) (*Provisions specific to SOFR as Reference Rate*), Condition 8(c)(v) (*Provisions specific to SONIA as Reference Rate*), Condition 8(d) (*Relevant Rates Benchmark Discontinuation or Prohibition on Use*), where such provisions are specified to apply in the Issuance Document, Condition 8(e) (*Effect of Benchmark Transition Event*) or Condition 8(f) (*General Fallback Arrangements*), if "ISDA Determination" is specified in the Issuance Document 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:

- (A) the Floating Rate Option is as specified in the Issuance Document;
- (B) the Designated Maturity is the Specified Duration; and
- (C) the relevant Reset Date is either (1) 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 (2) in any other case, as specified in the Issuance Document.

For the purposes of this Condition 6(c) (*Interest Rate on Floating Rate Notes*) "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.

(iv) *(Provisions specific to SOFR as Reference Rate)*

- (A) If Screen Rate Determination is specified in the applicable Issuance Document as the manner in which a Floating Interest Rate is to be determined and SOFR is specified in the relevant Issuance Document as the Reference Rate, the Interest Rate for an Interest Period will be the SOFR Accrued Interest Compounding Factor plus or minus (as indicated in the applicable Issuance Document) the Margin (as specified in the relevant Issuance Document), subject to a minimum of zero per cent..
- (B) With respect to any Interest Period, the "**SOFR Accrued Interest Compounding Factor**" means the rate of return of a daily compound interest investment computed in accordance with the following formula (with the resulting percentage rounded, if necessary, to the nearest one hundred-

thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"**d<sub>0</sub>**", for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period.

"**i**" is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period.

"**SOFR<sub>i</sub>**", for any day "i" in the relevant Interest Period, means a reference rate equal to SOFR in respect of that day.

"**n<sub>i</sub>**" means the number of calendar days in the relevant Interest Period on which the rate is SOFR<sub>i</sub>.

"**d**" means the number of calendar days in the relevant Interest Period.

For these calculations, the interest rate in effect on any U.S. Government Securities Business Day will be the applicable rate as reset on that date. The interest rate applicable to any other day is the interest rate from the immediately preceding U.S. Government Securities Business Day.

For the purposes of calculating SOFR with respect to the final Interest Period, the level of SOFR for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the redemption date, as applicable, shall be the level of SOFR in respect of such SOFR Rate Cut-Off Date.

"**SOFR**" means, with respect to any U.S. Government Securities Business Day:

(1) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day as provided by the New York Federal Reserve, as the administrator of such rate (or a successor administrator) on the New York Federal Reserve's Website on or about 5:00 p.m. (New York time) on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day; or

(2) if the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day does not appear as specified in paragraph (1), unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or

(3) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the provisions of Condition 8(e)(8) below will apply.

"**New York Federal Reserve**" means the Federal Reserve Bank of New York.

"New York Federal Reserve's Website" means the website of the New York Federal Reserve, currently at <http://www.newyorkfed.org>, or any successor source.

(v) *(Provisions specific to SONIA as Reference Rate)*

- (A) If Screen Rate Determination is specified in the applicable Issuance Document as the manner in which a Floating Interest Rate is to be determined and SONIA is specified in the relevant Issuance Document as the Reference Rate, the Interest Rate for an Interest Period will be the relevant SONIA Benchmark plus or minus (as indicated in the applicable Issuance Document) the Margin (as specified in the relevant Issuance Document), subject to a minimum of zero per cent..
- (B) The "**SONIA Benchmark**" will be determined based on either SONIA Compound with Lookback or SONIA Compound with Observation Period Shift, as follows:

(1) if SONIA Compound with Lookback ("**SONIA Compound with Lookback**") is specified as applicable in the relevant Issuance Document, the SONIA Benchmark for each Interest Period shall be equal to the value of the SONIA rates for each day during the relevant Interest Period, compounded daily in accordance with the following formula (with the resulting percentage rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left( \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SONIA}_{i-\text{pLBD}} \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

where:

"**d**" means the number of calendar days in the relevant Interest Period;

"**d<sub>0</sub>**" for any Interest Period, means the number of London Banking Days in the relevant Interest Period; "i" is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n<sub>i</sub>**" for any London Banking Day "i" in the relevant Interest Period, means the number of calendar days from, and including, such day "i" up to, but excluding, the following London Banking Day ("i+1");

"**Lookback Days**" means the number of London Banking Days specified in the relevant Issuance Document;

"**SONIA**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each

case on the London Banking Day immediately following such London Banking Day; and

"**SONIA<sub>i</sub>-pLBD**" for any London Banking Day "i" in the relevant Interest Period, is equal to the SONIA in respect of the London Banking Day falling a number of London Banking Days prior to that day "i" equal to the number of Lookback Days.

(2) if SONIA Compound Observation Period Shift ("**SONIA Compound Observation Period Shift**") is specified as applicable in the relevant Issuance Document, the SONIA Benchmark for each Interest Period shall be equal to the value of the SONIA rates for each day during the relevant Observation Period, compounded daily in accordance with the following formula (with the resulting percentage rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left( \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

where:

"**d**" means the number of calendar days in the relevant Observation Period;

"**d<sub>0</sub>**" for any Observation Period, means the number of London Banking Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Observation Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n<sub>i</sub>**" for any London Banking Day "i" in the relevant Observation Period, means the number of calendar days from, and including, such day "i" up to, but excluding, the following London Banking Day ("i+1");

"**Observation Period**" means, in respect of each Interest Period, the period from, and including, the date falling a number of London Banking Days equal to the Observation Shift Days preceding the first day of the such Interest Period to, but excluding, the date falling a number of London Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

"**Observation Shift Days**" means the number of London Banking Days specified in the relevant Issuance Document;

"**Relevant Screen Page**" or "**Relevant Screen Pages**" means the Bloomberg Page or the Reuters Screen (or both) specified as the Relevant Screen Page or the Relevant Screen Pages in the relevant Issuance Document;

"**SONIA**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is

unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

"SONIA<sub>i</sub>" for any London Banking Day "i" in the relevant Observation Period, is equal to SONIA in respect of that day "i".

(vi) *(Linear Interpolation)*

In respect of any Notes for which the Floating Rate Notes are applicable, if "**Linear Interpolation**" is specified to be applicable in respect of any Interest Period, the Floating Interest Rate for such Interest Period shall be determined by the Calculation Agent through the use of straight-line interpolation by reference to:

- (A) if Screen Rate Determination is specified as the manner in which the Interest Rate is to be determined, two rates based on the relevant Reference Rate one of which shall be determined as if the Designated Maturity were the period of time, for which rates are available, next shorter than the length of such Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time, for which rates are available, next longer than the length of such Interest Period; and
- (B) if ISDA Determination is specified as the manner in which the Floating Interest Rate is to be determined, two rates based on the relevant Floating Rate Option one of which shall be determined as if the Designated Maturity were the period of time, for which rates are available, next shorter than the length of such Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time, for which rates are available, next longer than the length of such Interest Period.

(d) *Relevant Rates Benchmark Discontinuance or Prohibition on Use:*

If (i) Condition 8(e) (*Effect of Benchmark Transition Event*) does not apply and (ii) the applicable Issuance Document specifies that the provisions of this Condition 8(d) (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*) are applicable, then, notwithstanding the terms set forth elsewhere in these Conditions, if the Calculation Agent determines that any of the following events has occurred:

- (i) a public statement or publication of information by or on behalf of the administrator of the Relevant Rates Benchmark announcing that it has ceased or will cease to provide the Relevant Rates Benchmark permanently or indefinitely, provided that, at the time of statement or publication, there is no successor administrator that will continue to provide the Relevant Rates Benchmark; or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark, the central bank for the currency of the Relevant Rates Benchmark, an insolvency official with jurisdiction over the administrator of the Relevant Rates Benchmark, a resolution authority with jurisdiction over the administrator of the Relevant Rates Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator of the Relevant Rates Benchmark, which states that the administrator of the Relevant Rates Benchmark has ceased or will cease to provide the Relevant Rates Benchmark permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Relevant Rates Benchmark; or
- (iii) where the Relevant Rates Benchmark is a LIBOR (other than U.S. dollar LIBOR which is addressed in Condition 8(e) (*Effect of Benchmark Transition Event*) below), a public statement or publication of information by the regulatory supervisor for the

administrator of the Relevant Rates Benchmark announcing that the Relevant Rates Benchmark is no longer representative;

- (iv) unless otherwise specified in the Issuance Document, an Administrator/Benchmark Event occurs in relation to a Relevant Rates Benchmark, then the Calculation Agent may use, as a substitute for the Relevant Rates Benchmark, and for each future Interest Determination Date (or other rate fixing date), the alternative rates benchmark determined in accordance with the following provisions:
  - (A) if an alternative reference rate, index or benchmark is specified in the Issuance Document for this purpose (an "**Alternative Pre-nominated Reference Rate**"), such Alternative Pre-nominated Reference Rate; or
  - (B) if an Alternative Pre-nominated Reference Rate is not specified in the Issuance Document, the alternative reference rate, index or benchmark selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the applicable index currency that is consistent with accepted market practice (the rate determined under sub-paragraph (A) above or this sub-paragraph (B), the "**Alternative Rate**").

The Calculation Agent may, after consultation with the Issuer, determine any adjustments to the Alternative Rate or the Margin (which may include the addition of an adjustment spread, which may be positive or negative, in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of the Relevant Rates Benchmark with the Alternative Rate), as well as the applicable Business Day Convention, Interest Determination Dates (or any other rate fixing dates) and related provisions and definitions of the Notes, in each case that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Notes.

If the Calculation Agent determines, after consultation with the Issuer, that no such Alternative Rate exists on the relevant date, it may, after consultation with the Issuer, determine an alternative rate to be used as a substitute for the Relevant Rates Benchmark (which shall be the "Alternative Rate" for the purposes of these provisions), as well as any adjustments to the Margin (including any adjustment spread), the Business Day Convention, the Interest Determination Dates (or any other rate fixing dates) and related provisions and definitions in respect of the Notes, in each case, that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Notes.

The Issuer will then provide a notice, in accordance with Condition 17 (*Notices*), to Noteholders to inform them of the occurrence of any of events listed in Conditions 8(d)(i) to 8(d)(iii) above, the Alternative Rate and any adjustment determinations which will apply to the Notes. The notice shall also confirm the effective date of the Alternative Rate and any adjustments.

Notwithstanding anything else in this Condition 8(d), if the Calculation Agent determines that the selection of a particular index, benchmark or other price as an "Alternative Rate" (taking into account any necessary adjustments that would need to be made in accordance with this Condition 8(d)) (1) is or would be unlawful under any applicable law or regulation; or (2) would contravene any applicable licensing requirements; or (3) would result in the Calculation Agent, the Issuer or the Calculation Agent being considered to be administering a benchmark, index or other price source whose production, publication, methodology or governance would subject the Calculation Agent, the Issuer or the Calculation Agent to material additional regulatory obligations which it is unwilling to undertake, then the Calculation Agent shall not select such index, benchmark or price source as the Alternative Rate.

If the Calculation Agent is unable to identify an Alternative Rate and determine the necessary adjustments to the terms of the Notes, then the Issuer may, in its reasonable discretion, determine that the Notes shall be redeemed as of any later date. If the Issuer so determines that the Notes shall be redeemed, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and upon redemption the Issuer will pay in respect of each Note an amount equal to either:

- (A) If "**Early Redemption Amount (Benchmark Trigger Event) - Fair Market Value Less Costs**" is specified in the Issuance Document, the fair market value of such Note, on such date as is selected by the Calculation Agent in its reasonable 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 Notes of the reasonable cost to the Issuer and/ or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Calculation Agent in its reasonable discretion; or
- (B) If "**Early Redemption Amount (Benchmark Trigger Event) - Fair Market Value**" is specified in the Issuance Document, the fair market value of such Note, on such day as is selected by the Calculation Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Calculation Agent in its reasonable discretion.

The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

(e) *Effect of Benchmark Transition Event:*

This Condition 8(e) (*Effect of Benchmark Transition Event*) applies where the Relevant Rates Benchmark is U.S. dollar LIBOR or SOFR.

- (i) *Benchmark Replacement.* If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of any determination of the Benchmark on any date (in the case of U.S. dollar LIBOR prior to the Reference Time), the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.
- (ii) *Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.
- (iii) *Decisions and Determinations.* Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 8(e) (*Effect of Benchmark Transition Event*), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, will be made in the Issuer's or its designee's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(f) *General Fallback Arrangements*

Notwithstanding the terms set forth elsewhere in these Conditions, and unless the applicable Issuance Document specifies that the provisions of Condition 8(d) (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*) apply or unless Condition 8(e) (*Effect of Benchmark Transition Event*) applies,

- (i) if the Relevant Rates Benchmark is a LIBOR, EURIBOR, SONIA or other similar interbank rate and such Relevant Rates Benchmark has been permanently discontinued, or
- (ii) where the Relevant Rates Benchmark is a LIBOR (other than U.S. dollar LIBOR which is addressed at Condition 8(e) (*Effect of Benchmark Transition Event*) above), upon the occurrence of a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark announcing that the Relevant Rates Benchmark is no longer representative,

the Calculation Agent will use, as a substitute for such Relevant Rates Benchmark, and for each future Interest Determination Date, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the applicable index currency that is consistent with accepted market practice (the "**Alternative Rate**"). The Calculation Agent will, after consultation with the Issuer, make such adjustments to the Alternative Rate or the Margin, as well as the applicable Business Day Convention, Interest Determination Dates and related provisions and definitions of the Notes, in each case that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Notes. However, in the case of EURIBOR only, if the Calculation Agent determines, after consultation with the Issuer, that no such Alternative Rate exists on the relevant date, it shall make a determination, after consultation with the Issuer, of an alternative rate as a substitute for EURIBOR, for debt obligations such as the Notes, as well as the Margin, the Business Day Convention and the Interest Determination Dates in respect of the Notes, that is consistent with accepted market practice.

(g) *Interest on Equity-Linked Notes*

If the Issuance Document specifies that the interest payable will be Equity-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 Issuance Document.

(h) *Maximum or Minimum Interest Rates*

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

(i) *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 Issuance Document (as well after as before judgment) up to the Relevant Date.

(j) *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, or the 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 (8) (*Calculation of Interest Amount and Redemption Amount and provisions relating to Equity-Linked Notes*) to the Relevant Date (as defined in Condition 9(d) (*Early Redemption of Zero Coupon Notes*)).

(k) *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.

(l) *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 Issuance Document, in which case the amount of interest payable in respect of such Note for such Interest Period will equal such Interest Amount.

(m) *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 may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, the Calculation Agent 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 Issuing and Paying Agent, the Note Trustee, the Issuer, 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) (*Payments*), 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 Note 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 shall (in the absence of manifest error) be final and binding upon all parties.

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

This Condition 8(n) (*Provisions relating to Equity-Linked Notes*) is applicable only in relation to Notes specified in the Issuance Document 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 Issuance Document.

- (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 Calculation 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 Calculation 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 Calculation 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 Issuance Document 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 Issuance Document (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 Calculation Agent in its sole and absolute discretion as provided in the Issuance Document 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 Issuance Document); and

- (III) in respect of a Share Basket Note, the arithmetic mean of the amounts for the Basket of Shares determined by the Calculation Agent in its sole and absolute discretion as provided in the Issuance Document 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 Issuance Document 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 8(n)(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 8(n)(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 Calculation 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 8(n)(i)(A)(a)(I) and (y) in the case of a Single Share Note, Condition 8(n)(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 Issuance Document 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 Calculation 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 8(n)(i)(A)(b) and (y) in the case of a Share Basket Note, Condition 8(n)(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 Calculation Agent by reference to the last such Averaging Date as though it were that Valuation Date.

- (ii) Adjustments to Indices:

This Condition 8(d)(ii) (*Adjustments to Indices*) is applicable only in relation to Notes specified in the Issuance Document 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 Calculation Agent in its sole and absolute discretion or (b) replaced by a Successor Index using, in the determination of the Calculation Agent (such determination to be at the Calculation 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 Calculation 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 Calculation 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 Calculation 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 Calculation 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 Note Trustee and the Issuing and Paying Agent), 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 14 (*Limited Recourse*), the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount. If the Issuer (or the Calculation Agent on its behalf) determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment as the Calculation 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 Issuance Document 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 Calculation Agent shall determine. The Calculation Agent shall, as soon as

reasonably practicable under the circumstances, notify the Noteholders (copied to the Note Trustee and the Issuing and Paying Agent 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 Calculation Agent for any calculation or determination (the "**Index Original Determination**") under the Notes is subsequently corrected and the correction (the "**Index Corrected Value**") is published by the Index Sponsor by such time as may be specified in the Issuance Document (or, if none is so specified, within one Settlement Cycle after the original publication and prior to the Maturity Date), then the Calculation Agent will notify the Issuer, the Note Trustee and the Issuing and Paying Agent of the Index Corrected Value as soon as reasonably practicable and shall determine the relevant value (the "**Index Replacement Determination**") using the Index Corrected Value. If the result of the Index Replacement Determination is different from the result of the Index Original Determination, to the extent that it determines to be necessary and practicable, the Calculation Agent may adjust any relevant terms accordingly. The Calculation Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Note Trustee and the Issuing and Paying Agent) of any such adjustment.

(D) *Currency Inconvertibility:*

If the Issuer (or the Calculation 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 (18) (*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 Note Trustee and the Issuing and Paying Agent) 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 14 (*Limited Recourse*), the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

If the Issuer (or the Calculation Agent on its behalf) determines that the relevant Notes shall continue following an election to suspend the Issuer's obligations under the Notes, the Calculation Agent may make such adjustment as the Calculation 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 Issuance Document 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 Calculation Agent shall determine. The Calculation Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Note Trustee and the Issuing and Paying Agent) 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 8(n)(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 Calculation 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 Issuance Document, 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 Calculation 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 Calculation Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Note Trustee and the Issuing and Paying Agent) of any such adjustment.

(B) *Correction of Underlying Share Prices:*

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

(iv) *Extraordinary Events:*

This Condition 8(d)(iv) (*Extraordinary Events*) is applicable only in relation to Notes specified in the Issuance Document 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 Calculation Agent on its behalf) determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment as the Calculation 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 Issuance Document, 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 Calculation Agent shall determine. The Calculation Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Note Trustee and the Issuing and Paying Agent) of any such adjustment.

- (c) If the Issuer (or the Calculation 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 Note Trustee and the Issuing and Paying Agent) to redeem the Notes and, without prejudice to Condition 14 (*Limited Recourse*), 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 Calculation Agent, in its sole discretion;

**"Merger Event"** means, in respect of any relevant Underlying Shares, as determined by the Calculation 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 Calculation 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 Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation 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 Calculation 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 Calculation 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 Calculation Agent on its behalf) determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment as the Calculation 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 Issuance Document, 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 Calculation Agent shall determine. The Calculation Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Note Trustee and the Issuing and Paying Agent) of any such adjustment.

- (c) If the Issuer (or the Calculation 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 Note Trustee and the Issuing and Paying Agent) to redeem the Notes. Without prejudice to Condition 14 (*Limited Recourse*), 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 Calculation 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 Calculation Agent on its behalf) determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment as the Calculation 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 Issuance Document, 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 Calculation Agent shall determine. The Calculation Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Note Trustee and the Issuing and Paying Agent) of any such adjustment.
- (C) If the Issuer (or the Calculation 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 Note Trustee and the Issuing and Paying Agent) to redeem the Notes and, without prejudice to Condition 14 (*Limited Recourse*), 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 Calculation Agent on its behalf) shall as soon as reasonably practicable under the circumstances notify the Note Trustee and the Issuing and Paying Agent 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 Issuance Document), 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 Issuance Document 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 Issuance Document as comprising the Basket and in relation to Index Basket Notes, the Indices specified in the Issuance Document as comprising the Basket in each case in the relative proportions specified in such Issuance Document;

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

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

**"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 Calculation 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 Calculation 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 Issuance Document;

**"Determination Time"** means the time specified as such in the Issuance Document, 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 Issuance Document or, if none is specified, the principal exchange or quotation system for trading in such Index, as determined by the Calculation 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 Calculation 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 Calculation 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 Issuance Document or, if none is specified, the principal exchange or quotation system for trading in such Underlying Share, as determined by the Calculation 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 Calculation 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 Calculation 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 Calculation 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 Calculation 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 Calculation 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 Calculation 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 Issuance Document, subject to Condition 8(d)(ii) (*Adjustments to Indices*);

**"Index Sponsor"** means, in respect of an Index, the entity specified as such in the Issuance Document 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 Calculation 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 Calculation 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 Calculation 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 Calculation 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 Issuance Document;

**"Observation Date"** has the meaning given in the Issuance Document;

**"Potential Adjustment Event"** means, in respect of Single Share Notes or Share Basket Notes (in each case, as determined by the Calculation 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 Calculation 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 Calculation 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 Issuance Document, 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 Calculation 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 Calculation 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 Calculation 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 Calculation Agent as provided in the Issuance Document 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 Disruption Event"** means an event beyond the control of the Issuer as a result of which the relevant clearing system cannot clear or execute the transfer of an Underlying Share or the securities underlying an Index;

**"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 Calculation Agent, in its sole and absolute discretion, in accordance with the Issuance Document;

**"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 Issuance Document;

**"Underlying Share"** means, in relation to a particular Series of Notes, a share specified as such in the Issuance Document, 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 Issuance Document (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), subject to the provisions of Condition 8(d)(ii)(B).

(o) *General Definitions*

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

**"Administrator/Benchmark Event"** means, in respect of any Notes, delivery of a notice by the Calculation Agent to the Issuer and the Issuing and Paying Agent specifying that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that any of the Issuer, the Calculation Agent or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use the Relevant Benchmark to perform its of their respective obligations in respect of the Notes. For the avoidance of doubt, Administrator/Benchmark Event shall not apply where the Relevant Rates Benchmark is U.S. dollar LIBOR (see Condition 8(c)(iv) (*Provisions Specific to SOFR as Reference Rate*) above) or SOFR; (see Condition 8(e) (*Effect of Benchmark Transition Event*) above);

**"Administrator/Benchmark Event Date"** means, in respect of any Notes and an Administrator/Benchmark Event, the date on which the authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is:

- (i) required under any applicable law or regulation; or
- (ii) rejected, refused, suspended or withdrawn, if the applicable law or regulation provides that the Relevant Benchmark is not permitted to be used under the Notes following rejection, refusal, suspension or withdrawal, or, in each case, if such date occurs before the Issue Date, the Issue Date.

**"Alternative Pre-nominated Index"** means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the applicable Issuance Document as an "Alternative Pre-nominated Index" that is not subject to an Administrator/ Benchmark Event or (in the case of Equity-Linked Notes) an Index Cancellation or an Index Modification;

**"Benchmark"** means:

- (i) if SOFR is not specified in the relevant Issuance Document as the Reference Rate, initially LIBOR (with the applicable period of maturity in the case of Screen Rate Determination or the applicable Designated Maturity in the case of ISDA Determination); provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR (with the applicable period of maturity in the case of Screen Rate Determination or the applicable Designated Maturity in the case of ISDA Determination) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement; or
- (ii) if SOFR is specified in the relevant Issuance Document as the Reference Rate, the Secured Overnight Financing Rate with the applicable period of maturity (which shall be

daily), provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Secured Overnight Financing Rate with the applicable period of maturity (which shall be daily), or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

**"Benchmark Replacement"** means:

- (i) if SOFR is not specified in the relevant Issuance Document as the Reference Rate, the Interpolated Benchmark with respect to the then-current Benchmark, plus the Benchmark Replacement Adjustment for such Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:
  - (a) the sum of: (i) Term SOFR and (ii) the Benchmark Replacement Adjustment;
  - (b) the sum of: (i) Compounded SOFR and (ii) the Benchmark Replacement Adjustment;
  - (c) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (ii) the Benchmark Replacement Adjustment;
  - (d) the sum of: (i) the ISDA Fallback Rate and (ii) the Benchmark Replacement Adjustment;
  - (e) the sum of: (i) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment; or
- (ii) if SOFR is specified in the relevant Issuance Document as the Reference Rate, the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:
  - (a) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (ii) the Benchmark Replacement Adjustment;
  - (b) the sum of: (i) the ISDA Fallback Rate and (ii) the Benchmark Replacement Adjustment;
  - (c) the sum of: (i) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected

or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

- (b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Period, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of limb (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or
- (b) in the case of limb (c) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein;

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (a) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"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 Issuance Document; and
- (b) 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 Issuance Document;

**"Business Day Convention"**, in relation to any particular date referred to in the Conditions or in the applicable Issuance Document which is specified to be adjusted in accordance with a Business Day Convention, the convention for adjusting such date if it would otherwise fall on a day that is not a Business Day, and means any one or more of: Following Business Day Convention, Modified Following Business Day Convention (or Modified Business Day Convention), Preceding Business Day Convention, FRN Convention (or Floating Rate Convention or Eurodollar Convention) or No Adjustment (or Unadjusted), as specified in the applicable Issuance Document (each with the meanings given in Condition 8(b) (*Business Day Convention*));

**"Compounded SOFR"** means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the Issuer or its designee in accordance with:

- (a) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (b) if, and to the extent that, the Issuer or its designee determines that Compounded SOFR cannot be determined in accordance with clause (a) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate notes at such time;

**"Corresponding Tenor"** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

**"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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" 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 D<sub>2</sub> 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" 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 D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" 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 D<sub>2</sub> 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;

"**Final Terms**" means, in relation to any Series of Notes, any final terms for the purposes of the Prospectus Regulation that are issued by the Issuer and which specify the relevant issue details in respect of such Series of Notes, as may be amended and/or supplemented from time to time in accordance with the Conditions and the Trust Deed.

"**Fixed Interest Rate**" means the rate or rates (expressed as a percentage per annum) of interest as specified in the applicable Issuance Document;

"**Floating Interest Rate**" means the rate or rates (expressed as a percentage per annum) of interest determined in accordance with Condition 8(c) (*Interest Rate of Floating Rate Notes*).

"**Instalment Amount**" means the amount of principal repayable on each Instalment Date in respect of an Instalment Note;

"**Instalment Date**" means the date or dates specified in the relevant Issuance Document as a date for the payment of any Instalment Amount;

"**Instalment Note**" means a Note the principal of which is repayable in instalments;

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

"**Interest Determination Date**" means, with respect to an Interest Rate and an Interest Period:

- (i) the date specified as such in the Issuance Document or,
- (ii) if SOFR or SONIA is specified as the applicable Reference Rate, the Interest Determination Date(s) shall be the Interest Period End Date at the end of each Interest Period; provided that the Interest Determination Date with respect to the final Interest Period for SOFR will be the SOFR Rate Cut-Off Date, provided that, (A) if any such date is not a Scheduled Trading Day, the relevant Interest Determination Date shall in the case of Equity-Linked Notes, be the next succeeding Scheduled Trading Day; and (B) if any Interest Determination Date is in the case of Equity-Linked Notes, a Disrupted Day, the provisions of Condition 8(n)(i) (*Valuation, Market Disruption, and Averaging Dates*) shall apply mutatis mutandis as if such Interest Determination Date were a Valuation Date;
- (iii) if none is so specified, the day falling two Business Days in London prior to the first day of such Interest Period (or (A) if the specified currency is British pound sterling, the first day of such Interest Period and (B) 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:

- (i) if SOFR is not specified in the relevant Issuance Document as the Reference Rate, the date(s) specified as such in the Issuance Document and, if a Business Day Convention is specified in the relevant Issuance Document, 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 Issuance Document 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); or
- (ii) if SOFR is specified in the relevant Issuance Document as the Reference Rate, the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or other date for redemption of the relevant Notes;

**"Interest Payment Delay"** means two U.S. Government Securities Business Days;

**"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 Issuance Document, and if no such date(s) are specified, each Interest Payment Date;

**"Interest Rate"** means a Fixed Interest Rate or Floating Interest Rate (as specified in the applicable Issuance Document) payable from time to time in respect of the Note;

**"Interpolated Benchmark"** with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (a) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (b) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

**"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 Issuance Document)) as published by the International Swaps and Derivatives Association, Inc.;



**"ISDA Fallback Adjustment"** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Issuance Document"** means either the Final Terms or the Pricing Supplement for the relevant Series of Notes, as applicable.

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

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

**"Order of Priority"** means, in relation to any Series, the order of priority for application of all monies received by the Note Trustee pursuant to Clause 7 of the Principal Trust Deed (as amended by the relevant Supplemental Trust Deed) or as specified in the Issuance Document;

**"Page"** in respect of a Reference Rate, 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 Issuance Document, 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;

**"Potential Event of Default"** means, in relation to each Series of Notes, any condition, event or act which, with the giving of notice and/or the lapse of time and/or the issue of a certificate, would constitute an Event of Default in relation to such Series;

**"Pricing Supplement"** means, in relation to any Series of Notes for which there are no Final Terms, the terms issued by the Issuer and which specify the relevant issue details in respect of such Series of Notes, as may be amended and/or supplemented from time to time in accordance with the Conditions and the Trust Deed.

**"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;

**"Prospectus Regulation"** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended and supplemented from time to time.

**"Redemption Amount"** means, unless otherwise specified in the Issuance Document, in relation to a Note or Series (other than any Equity-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, (i) in the case of redemption on the Maturity Date, the amount calculated as set out in the Issuance Document 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 Calculation 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 Calculation 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;

**"Reference Rate"** means in respect of any relevant period or day, any of the following as specified in the applicable Issuance Document: (i) a Fixed Interest Rate, (ii) a Floating Interest Rate, or (iii) any interest rate, swap rate, index, benchmark or price source specified as a "Reference Rate" in the applicable Issuance Document, or determined in accordance with the Conditions, in each case, for such period or such day. If more than one Reference Rate is specified, "Reference Rate" shall be construed to refer to each rate defined or specified as such, or determined, in respect of the relevant period or day as specified in the applicable Issuance Document;

**"Reference Time"** with respect to any determination of the Benchmark means (a) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination, and (b) if the Benchmark is not LIBOR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

**"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 Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

**"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 Issuance Document);

**"Relevant Time"** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the Issuance Document 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;

**"Relevant Rates Benchmark"** means, in respect of any Notes:

- (i) each Reference Rate (or, if applicable, the index, benchmark or other price source that is referred to in the Reference Rate) other than a Fixed Interest Rate;
- (ii) each Floating Rate Option (or, if applicable, the index, benchmark or other price source that is referred to in the Floating Rate Option); or
- (iii) any other index, benchmark or other price source specified as a "Relevant Rates Benchmark" in the applicable Issuance Document;

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

**"SOFR"** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website;

**"SOFR Rate Cut-Off Date"** means the date that is the second U.S. Government Securities Business Day prior to the Maturity Date or the redemption date, as applicable;

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

**"Transaction Document"** means, in relation to the Notes, the Dealer Agreement, the Principal Trust Deed, the Agency Agreement, the Expenses Agreement, the Custody Agreement, the Issuance Document, the relevant Supplemental Trust Deed, any Security Document, any Related Agreement, the Notes of such Series and any other document(s) specified in the Issuance Document or entered into in connection with such Series.

**"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;

**"Term SOFR"** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body;

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

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment;

**"U.S. Government Securities Business Day"** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in U.S. government securities; and

**"Zero Coupon Note"** means a Note on which no interest is payable (other than interest payable after the date on which such Note is expressed to be redeemable).

(p) *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 Note Trustee, acting on the instructions of the Instructing Creditor) 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.

None of the Note Trustee, the Security Trustee or the Issuing and Paying Agent shall have any duty to monitor, enquire or satisfy itself as to whether any event, matter or thing has occurred that would allow the Calculation Agent, the Issuer or its designee to make the determinations,

including any adjustments or changes, referred to in the Conditions 8(d), 8(e), 8(f), 8(h)(ii), 8(h)(iii), 8(h)(iv), 8(n)(v) and 9(g)(B).

(9) **Redemption, Purchase and Exchange**

(a) *Redemption at Maturity*

- (i) Unless previously redeemed or purchased and cancelled as provided in these Conditions or, unless such Note is stated in the Issuance Document as having no fixed maturity date, each Note will be redeemed at its Redemption Amount (as defined in Condition 8(o)) 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 Issuance Document.
- (ii) If Maturity Date Extension is specified in the Issuance Document, if on the Maturity Date the Disposal Agent informs the Issuer that there is a shortfall in the amounts available to pay the Redemption Amount due on the Notes in full, the Maturity Date may be extended to the date that is 20 Business Days following receipt of realisation proceeds by the Issuer (or Disposal Agent on the Issuer's behalf) and such extended Maturity Date shall be notified by the issuer to the Noteholder in accordance with the relevant notice provisions.

(b) *Mandatory Redemption*

(i) *Underlying Disposal Event*

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

- (A) there has been a payment default on the due date therefor (without, unless otherwise specified in the Issuance Document, 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 Note Trustee;
- (C) unless otherwise specified in the Issuance Document and subject to Condition 17(c) (*Substitution*),
  - (x) the Issuer or 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 of 1986 (the "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 (collectively, "**FATCA**")), or
  - (y) the Issuer would suffer tax, including pursuant to FATCA and section 871(m) of the Code, in respect of its income (or deemed income) in the Underlying Assets or payments made to it under a Related Agreement, or would receive net of any tax, including pursuant to FATCA and section 871(m) of the Code, 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 (except where the U.S. withholding tax on its income is borne by the holders of Notes pursuant to so-called

Double Withholding, if such Double Withholding is indicated as applicable in the Issuance Document), 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,

then the Issuer shall, if the same would avoid the effect of the relevant event described in paragraph (x), (y) or (z) above use its best endeavours to procure the substitution of a company incorporated in another jurisdiction approved in writing by the Note 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 Note Trustee (in each case provided that the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the Noteholders and 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 Calculation Agent, is material in the context of the Notes and/or any agreements relating to the Notes; or
- (E) the Issuer's performance under the Notes becomes or will be unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, consent, rule, regulation, judgment, order or directive of any governmental, legislative or judicial authority or power,

on first becoming aware of the occurrence of any Disposal Event, the Calculation Agent (acting on behalf of the Issuer) shall give notice thereof (the "**Disposal Event Notice**") to the Note Trustee, the Counterparty, the Issuer, the Disposal Agent, the Custodian and the Issuing and Paying Agent and the Registrar (in the case of Registered Notes) and the Note Custodian (in the case of Custodian Notes) and the Issuer shall give notice to the Noteholders in accordance with Condition (18) (*Notices*). Upon receipt of a Disposal Event Notice, and in the case of Disposal Events pursuant to Condition 9(b)(i)(C)(x) and 9(b)(i)(C)(y), following the passing of an Extraordinary Resolution of the Noteholders resolving that the Notes shall be redeemed, the Disposal Agent (acting on behalf of the Issuer), shall arrange for the sale of the Underlying Assets in accordance with Condition 13(a)(*Disposal of Underlying Assets*). 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 Issuance Document) to the Noteholders (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 9(b)(i)(C) above, the Issuer shall deliver to the Note 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 9(b)(i)(C)(x) or (y) an opinion (in form and substance satisfactory to the Note Trustee) of legal advisers of recognised standing to the Issuer (previously approved by the Note 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 Note Trustee shall be entitled to accept the aforementioned certificate and, if applicable, opinion as sufficient evidence of the satisfaction of the conditions

precedent set out above in Condition 9(b)(i)(C) above, in which event it shall be conclusive and binding on the Noteholders.

Notwithstanding the foregoing, if any of the taxes referred to in Condition 9(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 11(b) (*Taxation*)); or
- (c) by reason of any holder or any third party being unable to receive payments free from withholding tax under FATCA;
- (d) where a holder would have been able to amend such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union,

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 (12) (*Events of Default*).

(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 9(b)(i)(A) or as contemplated in the Issuance Document) 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 Issuance Document) to the Note Trustee and the Noteholders of the date on which the net proceeds of such redemption shall be applied as specified in Condition 6(b) (*Application of Proceeds*).

(iii) *Credit Event*

If the Issuance Document so provides, if there has been, in the opinion of the Calculation Agent (as specified in the Issuance Document), a Credit Event (as specified and defined in the Issuance Document), the Calculation Agent shall give written notice thereof to the Note 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 9(b)(iii) (*Credit Event*)). The Issuance Document 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 9(b)(iii) (*Credit Event*) which shall be determined by the Calculation 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 Issuance Document) to the Noteholders (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 Issuance Document), as the case may be. The Issuance Document 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 a Disposal Event, an Underlying Early Redemption and a Credit Event is referred to as a "**Mandatory Redemption Event**".

For the avoidance of doubt, neither the Note Trustee nor the Security Trustee shall be required to monitor, enquire or satisfy itself as to whether any Mandatory Redemption Event has occurred. Neither the Note Trustee nor the Security Trustee shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. If the Issuer or the Calculation Agent effectively gives a notice to the Note Trustee of the occurrence of a Mandatory Redemption Event, the Note Trustee shall be entitled to rely conclusively on such notice without further investigation and shall suffer no liability where it does rely on such notice.

(v) *Redemption of Notes*

Upon expiry of the relevant notice under Condition 9(b)(i) or (ii) or (iii) above and subject to the conditions of such notice, the Issuer shall (unless, in the case of Condition 9(b)(i)(C) only, the Note 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 16(c) (*Substitution*) 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 together with any accrued interest up to the relevant date of redemption having applied all monies received in respect of a Series of Notes (whether by disposal by the Disposal Agent, enforcement of the Security relating to that Series or otherwise) in accordance with Condition 6(b) (*Application of Proceeds*), or delivered the Reference Securities or paid the Credit Event Redemption Amount in accordance with Condition 9(b)(iii) (*Credit Event*) (or as specified in the Issuance Document). 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 disposal by the Disposal Agent, 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 9(b)(v) (*Redemption of Notes*) shall be at any time in accordance with the notice provisions contained in the relevant Condition and any relevant provisions in the Issuance Document.

(c) *Purchase*

If a purchase option is specified in the Issuance Document, 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 Swap Agreement (if applicable) will provide that on such purchase such Swap Agreement (or a proportionate part thereof which corresponds to the Notes to be purchased) will terminate.

The Issuance Document will set out all the terms of such termination, which will reflect the terms of the Related Agreement. The Issuance Document 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 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.

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 9(b) (*Mandatory Redemption*) or, if applicable, Conditions 9(e) (*Redemption at the Option of the Issuer and Exercise of Issuer's Option*), 9(f) (*Redemption at the Option of Noteholders and Exercise of Noteholders' Options*) or 9(g) (*Redemption by Instalments*) or upon it becoming due and payable as provided in Condition (12) (*Events of Default*) 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 Issuance Document, 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 Issuance Document 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 Issuance Document.
- (iii) If the amount payable in respect of any such Note upon its redemption pursuant to Condition 9(b) (*Mandatory Redemption*) or, if applicable, Conditions 9(e) (*Redemption at the Option of the Issuer and Exercise of Issuer's Option*), 9(f) (*Redemption at the Option of Noteholders and Exercise of Noteholders' Options*) or 9(g) (*Redemption by Instalments*) or upon it becoming due and payable as provided in Condition (12) (*Events of Default*) 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 9(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 Issuing and Paying Agent, and notice to that effect has been given to holders in accordance with the provisions of Condition (18) (*Notices*).

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 (8) (*Calculation of Interest Amount and Redemption Amount and provisions relating to Equity-Linked Notes*).

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

- (a) If so specified in the Issuance Document, 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, 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 Issuance Document 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 of redemption having been given by the Issuer to the Noteholders pursuant to this Condition may not be withdrawn and the Issuer shall be bound to redeem the Note(s) in accordance with the notice, this Condition and the Issuance Document.

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

- (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 Issuance Document and notice of the Notes called for redemption will be published in accordance with Condition (18) (*Notices*) not less than 15 days prior to the date fixed for redemption;
- (B) when the Notes are represented by a Global Note, if a partial redemption is to be effected by selection of whole Notes as indicated in the Issuance Document, 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 Issuance Document 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 Swap Agreement (if applicable) 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 Issuance Document will set out the terms of such termination.*

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

- (a) If so specified in the Issuance Document the Issuer shall, subject to compliance with all relevant laws, regulations and directives, at the option of the holder of any such Note, upon the holder of such Note giving not more than 30 days nor less than 15 Business Days' notice to the Issuer by completion of an Exercise Notice as specified below, redeem such Note on the date or dates specified in the Issuance Document 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 Issuance Document, 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 15 Business Days (or such other number of days as may be specified in the relevant Issuance Document) prior to the relevant date for redemption or exercise of any option.

The Issuance Document 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 Issuance Document 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 (which may be done electronically through Euroclear or, as the case may be, Clearstream, Luxembourg) 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.

(g) *Redemption by Instalments*

Unless previously redeemed, purchased and cancelled as provided in Condition 8 (*Calculation of Interest Amount and Redemption Amount and provisions relating to Equity-Linked Notes*) or this Condition (9) (*Redemption, Purchase and Exchange*), 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.

(h) *Cancellation*

Subject to Condition 21 (*Purchase of Notes*), all Notes purchased by or on behalf of the Issuer, may be surrendered to or to the order of the Issuing and 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.

(i) *Exchange of Notes for Underlying Assets*

If specified in the Issuance Document, 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 Issuance Document.

(j) *Exchange of Series*

If specified in the Issuance Document and subject to the conditions specified in such Issuance Document, 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 Issuance Document. The exchange procedure and means by which Noteholders consent to such exchange (if any) shall be specified in the relevant Issuance Document at the time of issue.

(10) **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 in definitive form 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), Definitive Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 10(f)(iv)) or Coupons (in the case of interest, save as specified in Condition 10(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.

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant bearer Global Note, where applicable against presentation or surrender, as the case may be, of such bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such bearer Global Note by the Issuing and Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(b) *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) 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 as at the close of business on the Clearing System Business Day (as defined below) 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 will be made 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 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) *General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments of principal (or Redemption Amounts) and interest (or Interest Amounts) in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

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 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.

(d) *General provisions relating to payments*

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 (11) (*Taxation*). No commission or expenses shall be charged to the Noteholders, Couponholders or Receiptholders (if any) in respect of such payments.

(e) *Appointment of the Agents*

The name of the initial Issuing and Paying Agent, Calculation Agent, Disposal Agent and Registrar (together with any other paying agent or transfer agent appointed pursuant to the Agency Agreement and the Custodian and the Note Custodian, the "**Agents**") 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 Issuance Document. 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 in accordance with the Agency Agreement (as amended, supplemented or replaced from time to time), and to appoint additional or other Agents, provided that the Issuer will at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent (where the Conditions so require one), (iii) in the case of Registered Notes, a Registrar in Dublin or such other jurisdiction outside the UK, and (iv) a paying agent in Jersey (if the notes are issued in definitive form and held outside the Clearing Systems), each

Agent 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 Issuing and Paying Agent in a particular place, shall be such place.

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

- (i) Subject to the provisions of the Issuance Document, upon the due date for redemption of any Note which is a Bearer Note, unmaturing 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 unmaturing 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) 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, 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.

(g) *Non Business Days*

Subject as provided in the Issuance Document, 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 the relevant place of presentation and in the cities referred to in the definition of Business Days set out in the Issuance Document 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.

(h) *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 (15) (*Prescription*)).

(11) **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 Note 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 Note 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. Regardless of whether such withholding was anticipated (or Double Withholding was indicated as applicable in the related Issuance Document), if the Issuer is subject to withholding taxes on payments made to it, those taxes will reduce the amounts payable to the holders of Notes, Receipts, or Coupons, in a manner similar to taxes withheld on payments by the Issuer on the Notes, Receipts, or Coupons. None of the Issuer, any Paying Agent, the Note Trustee, or any other person will be obliged to make any additional payments to the Noteholders, Receiptholders or the Couponholders in respect of such withholding or deduction, but Condition 9(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) (*Mandatory Redemption*) above 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) If so indicated in the Issuance Document, the Issuer will treat all income accrued or paid to a Holder as arising from sources within the United States and will make payments free of U.S. withholding (and backup withholding) taxes only if the holder supplies it with appropriate U.S. tax identification and certification forms, typically an IRS Form W-8BEN OR W-8BEN-E. For the purposes of Condition 11(a), a certification or other document will be treated as “required by law” if it actually is required by law or would be required by law if the income from the Notes were treated as arising from sources within the United States for U.S. federal income tax purposes.
- (c) 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. If an investor fails to provide the Issuer with any correct, complete and accurate information that may be required for the Issuer (or any equity holder therein) to comply with FATCA, including to prevent U.S. federal withholding tax on payments to the Issuer (or any equity holder therein), the Issuer is authorized to withhold amounts otherwise distributable to the investor, to compel the investor to sell its Notes and, if the investor does not sell its Notes after notice from the Issuer, to sell the investor's Notes on behalf of the investor.

(12) **Events of Default**

- (a) Subject to Condition (12)(c), the Note Trustee at its discretion may, and, if so requested in writing by the Instructing Creditor, shall, (subject in either case to the Note 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 and, in the case of Secured Notes, the Security Trustee, 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 Issuance Document 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 any Custodian Notes outstanding on such date shall be cancelled and, in the case of Secured Notes only, 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) (*Security*) upon the occurrence of any of the following events (each an "**Event of Default**"):

- (i) (*non-payment*) 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) (*breach of other obligations*) if the Issuer of such Series fails to perform or observe any of its other obligations under the Notes, the Trust Deed or any other Transaction Document and, where the Note 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 Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied (such notice to be served on the Issuer by the Note Trustee at the direction of the Instructing Creditor); or
- (iii) (*winding-up*) 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 Noteholders acting by Extraordinary Resolution; or
- (iv) (*insolvency proceedings against Issuer*) 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 Security 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 Security Trustee or any Receiver or manager appointed by the Security 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 Note Trustee or the Security 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) (*insolvency proceedings by Issuer*) 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; or
- (vi) (*insolvency*) if the Issuer becomes insolvent or is adjudicated or found bankrupt.

- (b) The Issuer shall provide written confirmation to the Note Trustee, on an annual basis, that no Event of Default or Potential Event of Default has occurred.
- (c) In the event of the Security becoming enforceable following acceleration of the Notes as provided in this Condition (12) (*Events of Default*), the Note 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 direct the Security Trustee to enforce its rights under the Transaction Documents, in relation to the relevant Mortgaged Property in relation to such Series only, provided that neither the Note Trustee nor the Security Trustee shall be required to take any action that would involve the Note Trustee or the Security Trustee (as applicable) 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 Issuance Document.*

(13) **Disposal and Enforcement**

(a) *Disposal of Underlying Assets*

- (i) Following (i) receipt of a Disposal Event Notice under Condition 9(b)(*Mandatory Redemption*); or (ii) the occurrence of any other circumstances as specified in the applicable Issuance Document for the relevant Series of Notes, the Disposal Agent shall arrange the sale of the Underlying Assets with a view to liquidating such Underlying Assets as soon as reasonably practicable, provided that none of the Disposal Agent and Issuer shall have any liability if the liquidation of the Underlying Assets is not effected, for any reason outside of its control, by the end of the 90<sup>th</sup> calendar day following receipt of any of the above specified notices (the “**Liquidation End Period**”). If any of the Underlying Assets has not been liquidated in full by the end of the Liquidation End Period, then the Underlying Assets that have not been converted to cash shall be deemed to have a value of zero.
- (ii) For the avoidance of doubt, the Issuer or Disposal Agent (as applicable) may take such steps as it considers appropriate in order to effect such liquidation, including, but not limited to, selecting the method of liquidating the Underlying Assets, provided that the Issuer or Disposal Agent (as applicable) shall act as soon as reasonably practicable within the available timeframe and in a commercially reasonable manner and further provided that the Issuer or Disposal Agent (as applicable) shall be entitled to effect any liquidation of the Underlying Assets by way of one or multiple transactions on a single or multiple days.
- (iii) The Issuer and the Disposal Agent may agree that any sale of the Underlying Assets may be made by the Issuer to the Disposal Agent and in such circumstance, the Disposal Agent would be acting on a strictly principal-to-principal basis and not as an agent of, or broker for, the Issuer.
- (iv) The Disposal Agent, acting on behalf of the Issuer, shall procure that the amounts arising from the liquidation of the Underlying Assets are credited to the Cash Account or to any other account opened by the Issuer (as specified in the relevant Issuance Document) not later than the Business Day immediately following the date on which the liquidation of



the relevant Underlying Assets is completed in order for such amounts to be applied in accordance with the applicable Order of Priority.

- (v) None of the Issuer and the Disposal Agent shall be liable to the Trustee, the Noteholders or any other party in respect of any agreement entered into, action or determination made or price obtained or paid, as applicable, in respect of the liquidation of the Underlying Assets by the Disposal Agent pursuant to this Condition.
- (vi) None of the Note Trustee nor the Issuing and Paying Agent shall have any duty to monitor the Issuer or the Disposal Agent in respect of the liquidations and disposals made and any other action taken by them under this Condition and shall not have any obligation, responsibility or liability in respect thereof.

(b) *Enforcement*

The Note Trustee may, at any time, at its discretion and without notice, take such action under or in connection with any of the Transaction Documents as it may think fit (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, after the issuance of an Enforcement Notice, to take steps to enforce the Security), provided that:

- (a) the Note Trustee shall not be bound to take any such action unless it shall have been so directed by the Instructing Creditor;
- (b) (except where expressly provided otherwise) the Security Trustee shall not, and shall not be bound to, take any such action unless it shall have been so directed by (i) the Note Trustee or (ii) if there are no Notes outstanding, all of the other Secured Creditors; and
- (c) neither the Note Trustee nor the Security Trustee shall be bound to take any such action unless it shall have been indemnified and/or pre-funded to its satisfaction.

Only the Note Trustee may pursue the remedies available under the Trust Deed, the Conditions and the Transaction Documents and enforce the rights of the Noteholders including directing the Security Trustee to enforce the Security in relation to the Underlying Assets of the relevant Series. No Noteholder is entitled to proceed directly against the Issuer or any other party or any assets of the Issuer unless the Note Trustee or Security Trustee, as applicable, 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.

(14) **Limited Recourse**

If the amounts realised from the Mortgaged Property (in respect of Secured Notes), or Unsecured Series Property (in respect of Unsecured Notes) or 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 Note Trustee, the Security Trustee, the Agents, the Corporate Services Provider, the Note Custodian and any Receiver and another appointee of the Note Trustee or the Security Trustee under the Trust Deed, 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 Issuance Document) 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). 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 (12) (*Events of Default*).

After realisation of the Security in respect of the Secured Notes which has become enforceable or following the liquidation of the Unsecured Series Property by the Issuer (in the case of Unsecured Notes) and distribution of the net proceeds thereof, neither the Note Trustee, the Security Trustee, if applicable, nor any Noteholder (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, Note Trustee or Security Trustee, 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 Secured Noteholders, Couponholders and Receiptholders (if any) accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Secured Notes of that Series have become due and payable pursuant to Condition (10) (*Payments*) is to enforce the Security for the relevant Series.

In the case of Notes issued by Memel, each Series of Notes is issued by Memel acting in respect of its relevant protected cell as specified in the relevant Issuance Document for such Series. Each protected cell of Memel is a protected cell of a Jersey protected cell company and holders of Notes will only have recourse to the assets attributable to that protected cell related to the applicable Series of Notes from time to time. Holders of Notes will not have recourse to any assets attributed to any other protected cell of Memel or any assets held by Memel in its own capacity.

***The net proceeds of enforcement of the security or realisation of the Mortgaged Property (in respect of Secured Notes) or the liquidation of the Unsecured Series Property (in respect of the Unsecured Notes) for the relevant Series may be insufficient to pay all amounts due to the Secured Creditors or Unsecured Noteholders (as applicable) in respect of such Series in which event claims in respect of all such amounts will be extinguished.***

**(15) Prescription**

Claims against the Issuer for payment in respect of the 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 9(d) (*Early Redemption of Zero Coupon Notes*)) in respect thereof.

**(16) 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 Issuing and Paying Agent in London or, in the case of Registered Note Certificates, the Registrar in Dublin 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.

**(17) 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 or any other Transaction

Document. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing a clear majority in 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 two thirds, or at any adjourned such meeting, not less than one third, in Principal Amount of the Notes of the relevant Series for the time being outstanding. In addition, a Written Resolution or an Electronic Resolution (each as defined below) 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.

As used in these Conditions:

**"Written Resolution"** means a resolution in writing signed by or on behalf of the Noteholders of not less than 75 per cent in aggregate principal amount of the Notes for the time being outstanding. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more Noteholders.

**"Electronic Resolution"** means a resolution given by way of electronic consents communicated through the electronic communication systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent in aggregate principal amount of the Notes for the time being outstanding

***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 Note Trustee may agree, or may direct the Security Trustee to agree, without the consent of the Noteholders, to:

- (i) any modification to any provisions of the Trust Deed or any other Transaction Document which is in the opinion of the Note Trustee of a formal, minor or technical nature or to correct a manifest error; or
- (ii) any other modification (except as mentioned therein), or any waiver or authorisation of any breach or proposed breach of any provisions, of the Trust Deed or any other Transaction Document which in the opinion of the Note Trustee is not materially prejudicial to the interests of the Noteholders.

The Note Trustee may also, without the consent of the Noteholders, determine that an Issuer Event of Default shall not, or shall not subject to specified conditions, be treated as such.

Any such modification, authorisation, waiver or determination may be made on such terms and subject to such conditions as may seem fit and proper to the Note Trustee, shall be binding upon the Noteholders and any other Secured Creditor relating to such Series and, unless the Note Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter.

(b) *Authorisation*

The Issuer will not, except as specified in the Issuance Document, 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 Note 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 Note Trustee in writing.

(c) *Substitution*

(i) The Trust Deed contains provisions permitting the Note Trustee to agree and in the case of a Secured Series, to direct the Security Trustee to agree without the consent of the Noteholders and whether pursuant to Condition 9(b)(i)(C)(z) or otherwise 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 of the Issuer, the Note Trustee may agree and, in the case of any Secured Series, may direct the Security Trustee to agree to a change of the law governing the Trust Deed, and/or any other Transaction Document provided that such change would not in the opinion of the Note Trustee be materially prejudicial to the interests of the Noteholders and provided in respect of a change in Transaction Documents the relevant amendment provisions are complied with.

The Note Trustee may, without the consent of the Noteholders, agree and, in the case of a Secured series, may direct the Security Trustee to agree to a change in the place of residence of the Issuer for taxation purposes provided the Issuer does all such things as the Note Trustee may require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements in the interests of the Noteholders as the Note Trustee may direct.

(iii) Notwithstanding the foregoing, no substitution shall be made if it will cause Double Withholding to apply (unless Double Withholding was already applicable (as specified in the Issuance Document)).

(d) *Entitlement of the Note Trustee*

In connection with the exercise of its powers, trusts, authorities or discretions under these Conditions, the Trust Deed or any other Transaction Document (including but not limited to those in relation to any proposed modification, waiver, authorisation, determination or substitution as aforesaid) the Note Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) 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 or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholders be entitled to claim, from the Issuer, the Note Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

(18) **Notices**

(a) *Notices in respect of Bearer Notes and 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 Jersey 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.

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 (Euronext Dublin). 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.

Notices to holders of 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 (Euronext Dublin) and the guidelines of that exchange so require, filed with the Companies Announcements Office of the Irish Stock Exchange (Euronext Dublin) and otherwise duly published in a manner which complies with the rules, regulations and guidelines of the Irish Stock Exchange (Euronext Dublin) or any other listing authority, stock exchange and/or quotation system on which the Notes are for the time being listed.

Until such time as any Definitive Notes or as the case may be, Registered Note Certificates are issued, and so long as the Global Notes representing such 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 paragraphs above in this Condition 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 that 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.

**(19) Note Trustee and Security Trustee's Indemnification, Retirement and Removal**

The Trust Deed contains provisions for indemnification of the Note Trustee and Security Trustee and for its relief from responsibility, including provisions relieving it from taking any action including taking proceedings to enforce repayment (in the case of Secured Notes) unless indemnified and/or secured and/or pre-funded to its satisfaction. The Note Trustee and Security Trustee or any of their affiliates are 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 Mortgaged Property or Unsecured Series Property or the Noteholders or any of their respective subsidiaries or associated companies without accounting to the Noteholders for any profit resulting therefrom.

Each of the Note Trustee and the Security 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 Unsecured Series Property and Mortgaged Property respectively, from any obligation to insure all or any part of the Property and Mortgaged Property (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 Security Trustee. Neither the Note Trustee nor the Security Trustee will incur no liability, vicarious or otherwise, for any actions or inactions of the Custodian.

The Note Trustee was appointed trustee in respect of notes and the Security Trustee was appointed in respect of the Secured 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 Note Trustee and Security Trustee may retire upon the giving of three months' notice to the Issuer and each Noteholder 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 Note Trustee or Security Trustee being duly given, the Issuer shall procure the appointment of a

new note trustee or security trustee (as applicable) as soon as reasonably practicable and such retirement or removal shall not become effective until a successor note trustee or security trustee (as applicable) has been appointed in accordance with the terms of the Principal Trust Deed. If, in such circumstances, no appointment of such new note trustee or security trustee (as applicable) has become effective within three months of the date of such notice or Extraordinary Resolution, the Note Trustee or Security Trustee (as applicable) shall be entitled to appoint a Trust Corporation as note trustee or security trustee (as applicable) 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 Note Trustee is only required 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. The Note 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 Note 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.

(20) **Further Issues**

(a) *Restrictions on further issues and transactions*

The Issuer may from time to time (without the consent of the Noteholders) issue further Notes (which may be consolidated and form a single series with any Series of Notes if issued in accordance with Condition 20(b)) which are secured by or rely for their payment on inter alia (save in the case of further Notes forming a single series with Custodian Notes) assets of the Issuer other than any existing Mortgaged Property or any existing Underlying Series Property and the Issuer's share capital and transaction fees and issued on terms that provide for the extinction of all claims in respect of such Notes after application of the proceeds of enforcement of the security over or the liquidation of the assets on which such further Notes are secured or rely for their payment on (as the case may be) and that prevent transaction creditors from taking steps to wind up the Issuer. Any such further Notes shall be constituted by a Supplemental Trust Deed in respect of such Notes.

(b) *Restrictions on fungible issues*

The Issuer may from time to time (without the consent of the Noteholders) issue further Notes that have, when issued, the same terms and conditions as the Notes in all respects and that are consolidated and form a single series with the Notes provided that in the case of a further issue of Secured Notes only the Issuer provides additional security for such new Secured Notes that comprises assets that are fungible with the Mortgaged Property. The Issuer is not required to determine whether any further issuance of Notes is fungible with the Notes for any legal or tax purposes.

(21) **Purchase of Notes**

All Notes repurchased by the Issuer may be cancelled, in which case the obligations of the Issuer in respect of any such Notes shall be discharged. Absent such cancellation and notwithstanding any other provision of these Conditions, all Notes held by or on behalf of the Issuer, shall be deposited with the Note Custodian and shall carry the same rights as Custodian Notes.

(22) **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 Security Document and any non-contractual obligations arising out of or in connection with it will be governed by the law specified therein.

(23) **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, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## CLEARING AND SETTLEMENT

Clearing and settlement of the Notes will be effected in accordance with the operating procedures of Euroclear and Clearstream, Luxembourg.

### **Transfers within and between Euroclear and Clearstream Luxembourg**

So long as Euroclear, Clearstream, Luxembourg or the nominee of their common depositary is the holder of a Global Certificate for a series, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the Notes of such series represented by such Global Certificate for all purposes under the Trust Deed, the Agency Agreement and the Notes. All payments in respect of Notes represented by a Global Certificate will be made to Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the holder thereof. None of the Issuer, the Note Trustee, the Security Trustee, if applicable, the Registrar, the Paying Agent, the Calculation Agent or the Dealer or any affiliate of any of the foregoing will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

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

Custodial and depositary links have been established with Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading.

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

Distributions of principal and any other amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by Euroclear or Clearstream, Luxembourg from the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg customers in accordance with the relevant system's rules and procedures.

The holdings of book-entry interests in Notes in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Beneficial ownership in Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a nominee for the common depositary for Euroclear and Clearstream, Luxembourg, and/or holders of Notes represented by Definitive Notes. The Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of interests in the Notes holding through Euroclear and Clearstream, Luxembourg



are credited to Euroclear or Clearstream, Luxembourg, as the case may be. Payments to holders of Notes represented by Definitive Notes will be made in accordance with the Conditions.

The Issuer will not impose any fees in respect of the Notes; however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

Interests in Global Certificates will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Global Certificates will be credited to Euroclear participant securities clearance accounts on the business day following the closing date against payment (for value the closing date), and to Clearstream, Luxembourg participant securities custody accounts on the closing date against payment in same day funds.

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

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

The information in this section regarding the procedures of Euroclear and Clearstream, Luxembourg in order to facilitate the transfers of interests in the Notes among participants of Clearstream, Luxembourg and Euroclear has been obtained from sources that the Issuer believes to be reliable but prospective investors are advised to make their own enquiries as to such procedures. None of Euroclear or Clearstream, Luxembourg is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Security Trustee, if applicable, the Registrar, the Paying Agent, the Dealer, or any affiliate of any of the foregoing will have any responsibility for the performance by Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

## MEMEL CAPITAL PCC AND ITS PROTECTED CELLS

### General

Memel was incorporated in Jersey (registered number 116063) as a public company with limited liability under the Companies (Jersey) Law 1991 on 26 June 2014 for a period of unlimited duration. Memel was converted to a protected cell company pursuant to that Law on 3 February 2021.

Memel may by special resolution create protected cells from time to time (each, an “**Issuer**”, such term to include, where the context requires, Memel acting in respect of that protected cell). Each protected cell of Memel will be established as a protected cell under the laws of Jersey and information relating to each of such protected cell of Memel will be contained in the relevant Issuance Document.

One ordinary share of GBP1.00 in the share capital of Memel is held by Crestbridge Corporate Nominees Limited, and pursuant to an Instrument of Trust dated 2 July 2014 one ordinary share of GBP1.00 in the share capital of Memel is held upon trust for charitable purposes by or on behalf of Crestbridge Corporate Trustees Limited, in its capacity as trustee of The Memel Capital Charitable Trust (in such capacity, the “**Share Trustee**”), a company incorporated in Jersey. The registered office of the Share Trustee is 47 Esplanade, St Helier, Jersey JE1 0BD. The Share Trustee will have no beneficial interest in and derive no benefit (other than fees for acting as Share Trustee) from its holding of shares in the Memel. The objects of the Memel are unrestricted.

Memel’s LEI is 635400NB6CRZGWRNRQ75.

### Registered Office and Telephone Number

Memel’s registered office is at 47 Esplanade, St Helier Jersey JE1 0BD. Memel’s telephone number is +44 (0)1534 835 600.

### Management

The Directors of Memel and each Memel Issuer are:

<b>Name</b>	<b>Principal Occupation</b>
Timothy Charles Ridgway	Director, Governance Services
Stuart John Conroy	Director, Head of Open Ended Funds

### DESCRIPTION OF DIRECTORS’ INTERESTS

Affiliates of the Directors of Memel provide ongoing administrative services to Memel (and any of its protected cells from time to time) at commercial rates.

The business address of each of the Directors of Memel is 47 Esplanade, St Helier, Jersey JE1 0BD.

The secretary of Memel is Crestbridge Corporate Services Limited of 47 Esplanade, St Helier, Jersey JE1 0BD.

Crestbridge Corporate Services Limited (in such capacity, the “**Corporate Administrator**”) provides administration services to Memel pursuant to:

- (a) a corporate administration agreement dated October 2014 (the “**Corporate Administration Agreement**”) made between Memel (acting in respect of itself and all of its protected cells), the Corporate Administrator and the Share Trustee; and

- (b) a side letter to the Corporate Administration Agreement and related fee letter dated 1 October 2014 between Memel, the Corporate Administrator, the Calculation Agent and the Dealer.

## Business

Memel has undertaken that, so long as any of the Notes remains outstanding, it will not, without the prior consent in writing of the Note Trustee incur any other indebtedness for borrowed moneys or engage in any business (other than transactions contemplated by this Base Prospectus), declare any dividends (other than a dividend of up to US\$750 per Series or other series under alternative programmes of the Issuer), have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions) or issue any shares.

Memel may however, at its discretion, enter into other programmes in order to issue secured and/or unsecured notes. Such other programmes are not themselves being established by this Base Prospectus, but will include covenants, limited recourse and non-petition provisions substantially in line with the relevant provisions under the Programme in order to ensure segregation of assets in respect of notes issued under such programmes. Such other programmes will be separate from the Programme, will have a base prospectus, an offering circular or other offering document separate from this Base Prospectus and will be subject to separate approval by the Central Bank and the Commission or any other competent authority, as appropriate.

Memel has no assets other than the Series Assets allocated to each protected cell with respect to each relevant Series, the benefit of any agreement relating to each Series, assets in respect of other programmes, the sum of £2.00 representing the issued and paid-up share capital and fees generated in connection with the issue of the notes and of other notes. The Issuer has no employees.

*The only assets of a protected cell of Memel which are available to meet the claims of the holders of notes issued by Memel acting in respect of such protected cell will be (a) in the case of Secured Noteholders, the property on which such notes are secured or (b) in the case of Unsecured Noteholders, the property which Memel acting in respect of such protected cell has allocated to such Unsecured Series.*

The Notes issued by Memel are obligations of the relevant protected cell of Memel alone and not of any other protected cells of Memel or the Share Trustee.

## Capitalisation

The following table sets forth the capitalisation of Memel at the date hereof:

	US\$
<b>Shareholders' funds:</b>	
Share capital (Authorised: £10,000 issued: 2 Ordinary Shares of £1.00 each)	2.70 <sup>1</sup>
<b>Indebtedness</b>	
Issue of EUR 13,552,637 Basket Linked Notes under the US\$30,000,000,000 secured and unsecured notes programme dated 5 March 2021	15,450,006.00 <sup>2</sup>
Total capitalisation	US\$ 15,450,008.70

<sup>1</sup> Amounts in £ have been converted to US\$ at an exchange rate of £1 : US\$ 1.35. €1 : 1.14

<sup>2</sup> 103 notes issued at a price of EUR 131,579. No certificates are held by the certificate custodian as at 9 February 2022.

Each protected cell of Memel shall have an authorised share capital of £10,000 divided into 10,000 shares of £1.00 each. Each protected cell of Memel shall issue 2 fully paid ordinary shares to Memel.

There has been no material change in the capitalisation of Memel since the date of the information contained in the above table.

### **Financial statements**

The Memel prepares annual accounts which are audited and interim unaudited accounts. The most recent published audited accounts of Memel are in respect of the financial year ended 31 December 2020. The Principal Trust Deed requires the Issuer to provide written confirmation to the Note Trustee, on an annual basis, that no Event of Default or other matter which is required to be brought to the Note Trustee's attention has occurred. The audited accounts and auditor's report of Memel for the financial years ended 31 December 2019 and 31 December 2020 are available at <https://sp.morganstanley.com/eu/documents> and incorporated by reference in, and form part of, this Base Prospectus, as specified under section "*General Information*" of this Base Prospectus.

### **Auditors**

The auditors of the Memel Issuer are Grant Thornton of Kensington Chambers, 46/50 Kensington Place, St Helier, Jersey, JE1 1ET. The auditors are Certified Public Accountants. The auditors are members of the Institute of Chartered Accountants in England and Wales.

## ALPHABETA ACCESS PRODUCTS LTD

### General

Alphabeta was incorporated in Jersey (registered number 110792) as a public company with limited liability under the Companies (Jersey) Law 1991 on 29 May 2012 for a period of unlimited duration. The Issuer changed its name from Oder Capital Limited to alphabeta access products ltd on 10 August 2018.

One ordinary share of GBP1.00 in the share capital of Alphabeta is held by Crestbridge Corporate Nominees Limited, and pursuant to an Instrument of Trust dated 24 May 2012 one ordinary share of GBP1.00 in the share capital of Alphabeta is held upon trust for charitable purposes by or on behalf of Crestbridge Corporate Trustees Limited in its capacity as trustee of The Oder Capital Charitable Trust (in such capacity, the "**Share Trustee**"), a company incorporated in Jersey. The registered office of the Share Trustee is 47 Esplanade, St Helier, Jersey JE1 0BD. The Share Trustee will have no beneficial interest in and derive no benefit (other than fees for acting as Share Trustee) from its holding of shares in the Issuer.

The objects of Alphabeta are unrestricted.

Alphabeta's LEI is 635400IVGSQEAHVLPB96.

### Registered Office and Telephone Number

Alphabeta's registered office is at 47 Esplanade, St Helier Jersey JE1 0BD. The Issuer's telephone number is +44 (0)1534 835 600.

### Management

The Directors of Alphabeta are:

Name	Principal Occupation
Timothy Charles Ridgway	Director, Governance Services
Stuart Conroy	Director, Head of Open Ended Funds

### DESCRIPTION OF DIRECTORS' INTERESTS

Affiliates of the Directors of Alphabeta provide ongoing administrative services to Alphabeta at commercial rates.

The business address of each of the Directors of Alphabeta is 47 Esplanade, St Helier, Jersey JE1 0BD.

The secretary of Alphabeta is Crestbridge Corporate Services Limited of 47 Esplanade, St Helier, Jersey JE1 0BD.

Crestbridge Corporate Services Limited (in such capacity, the "**Corporate Administrator**") provides administration services to Alphabeta pursuant to:

- (a) a corporate administration agreement dated 29 June 2012 (the "**Corporate Administration Agreement**") made between the Issuer, the Corporate Administrator and the Share Trustee; and

- (b) a side letter to the Corporate Administration Agreement and related fee letter dated 18 August 2016 between Alphabet as Issuer, the Corporate Administrator, the Calculation Agent and the Dealer.

## Business

Alphabet has undertaken that, so long as any of the Notes remains outstanding, it will not, without the prior consent in writing of the Note Trustee incur any other indebtedness for borrowed moneys or engage in any business (other than transactions contemplated by this Base Prospectus), declare any dividends (other than a dividend of up to US\$750 per Series or other series under alternative programmes of the Issuer), have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions) or issue any shares (other than such shares as were in issue on or 29 May 2012).

Alphabet may however, at its discretion, enter into other programmes in order to issue secured and/or unsecured notes. Such other programmes are not themselves being established by this Base Prospectus, but will include covenants, limited recourse and non-petition provisions substantially in line with the relevant provisions under the Programme in order to ensure segregation of assets in respect of notes issued under such programmes. Such other programmes will be separate from the Programme, will have a base prospectus, an offering circular or other offering document separate from this Base Prospectus and will be subject to separate approval by the Central Bank and the Commission or any other competent authority, as appropriate.

Alphabet has no assets other than the Series Assets with respect to each Series, the benefit of any agreement relating to each Series, assets in respect of other programmes, the sum of £2.00 representing the issued and paid-up share capital and fees generated in connection with the issue of the notes and of other notes. Alphabet has no employees.

*The only assets of Alphabet available to meet the claims of the holders of notes of Alphabet will be (a) in the case of Secured Noteholders, the property on which such notes are secured or (b) in the case of Unsecured Noteholders, the property which Alphabet has allocated to such Unsecured Series.*

The Notes are obligations of Alphabet alone and not of the Share Trustee.

## Capitalisation

The following table sets forth the capitalisation of Alphabet at the date hereof:

	US\$
<b>Shareholders' funds:</b>	
Share capital (Authorised: £10,000 issued: 2 Ordinary Shares of £1.00 each)	US\$ 2.70
<b>Indebtedness</b>	
Series 6 U.S. \$500,000,000 Certificates linked to the shares of Lynx (Cayman) fund limited under the Programme	1,309,377 <sup>3</sup>
Series 16 EUR 3,250 Certificates Series 16 basket linked Certificates	24,338,106 <sup>4</sup>

<sup>3</sup> US\$ 500,000,000 issued, but 497,343, 804 of Certificates held by the Certificate Custodian as 31 December 2021

<sup>4</sup> EUR 3,250 issued, but 2,900 3,050 of Certificates held by the Certificate Custodian as at 31 December 2021.

Series 19 U.S. \$500,000,000 Certificates linked to the shares of Two Trees Certificate Cayman Fund Limited under the Programme	3,103,805 <sup>5</sup>
Series 20 US\$500,000,000 Certificates linked to the Shares of RAM (Cayman) Systematic DIVALPHA Limited	10,384,476 <sup>6</sup>
Series 23 EUR 3,000 Certificates Series 23 basket linked Certificates	78,558,598 <sup>7</sup>
Series 24 EUR 7,500 Certificates Series 24 basket linked Certificates	611,214,173 <sup>8</sup>
Series 25 U.S. 1,000,000,000 Certificates linked to the shares of Bayforest Cayman Fund Limited under the Programme	10,270,277 <sup>9</sup>
Series 26 U.S \$ 2,000,000 Certificates linked to the shares of AQR Commodity 1 (Cayman) Limited	124,310
Repack 2 – 2,000,000 Notes issued linked to AT & T Inc 4.35% Bond 2029 and MS BV Warrant	1,943,656
German ETP Programme	3,064,733
Swedish ETP Programme	379,511
Total capitalisation	US\$ 741,246,778

There has been no material change in the capitalisation of Alphabeta since the date of the information contained in the above table.

Alphabeta has no other outstanding indebtedness as at the date hereof.

### Financial statements

Alphabeta prepares annual accounts which are audited and interim unaudited accounts. The most recent published audited accounts of Alphabeta are in respect of the financial year ended 31 December 2020. The Principal Trust Deed requires the Issuer to provide written confirmation to the Note Trustee, on an annual basis, that no Event of Default or other matter which is required to be bought to the Note Trustee's attention has occurred. The audited accounts and auditor's report of Alphabeta for the financial years ended 31 December 2019 and 31 December 2020 are available at <https://sp.morganstanley.com/eu/documents> and incorporated by reference in, and form part of, this Base Prospectus, as specified under section “*General Information*” of this Base Prospectus.

### Auditors

The auditors of Alphabeta are Deloitte LLP of Gaspé House, 66-72 Esplanade, St Helier, Jersey, JE2 3QT, United Kingdom. The auditors are Certified Public Accountants. The auditors are members of the Institute of Chartered Accountants in England and Wales.

<sup>5</sup> US\$ 500,000,000 issued, but 497,008,339 of Certificates held by the Certificate Custodian as at 31 December 2021.

<sup>6</sup> US\$ 500,000,000 issued but 494,030,882 of Certificates held by Certificate Custodian as at 31 December 2021.

<sup>7</sup> EUR 3,000 issued but 2,340 of Certificates held by Custodian as at 31 December 2021.

<sup>8</sup> EUR 7,500 issued but 2,554 of Certificates held by Custodian as at 31 December 2021.

<sup>9</sup> US\$ 1,000,000,000 issued but 929,789,720 of Certificates held by Custodian as at 31 December 2021.

## THE SWAP AND THE SWAP COUNTERPARTY

### The Swap - General

The Issuer may enter into a Swap, in respect of a Series, with the Swap Counterparty under the Swap Agreement (see "*The Swap Counterparty*" section below). If entered into, a Swap would be governed by English law.

The relevant Issuance Document in respect of a Series of Notes will specify whether a Swap is entered into under the Swap Agreement in connection with such Series of Notes.

The structure of the Swap may change depending on the structure of the relevant Series of Notes, but in general terms when a Swap is entered into in connection with a Series of Notes, save as otherwise provided in the relevant Issuance Document:

- (i) the Issuer may pay an upfront payment or financing rate and/or redemption proceeds from the Underlying Assets from such Series to the Swap Counterparty;
- (ii) the Swap Counterparty will be required upon each coupon payment date or redemption of such Notes to pay to the Issuer amounts equal to the Coupon Amount or Redemption Amount in respect of the Notes hedged by the Swap;
- (iii) the termination date of the Swap, in respect of a Series, will be the Maturity Date of the Notes of such Series unless otherwise specified in the terms of the Swap or the Issuance Document. In addition, the Issuer and the Swap Counterparty may also enter into a credit support document collateralising the Issuer's obligations under the Swap.

In addition to the consent of the Swap Counterparty, except as provided in the Trust Deed, the terms of a Swap Agreement may not be amended without the consent of the Trustee. The Trustee can agree, without the consent of the Noteholders, to any modification which is, in its opinion, of a formal, minor or technical nature or to correct a manifest error. The Trustee may (subject to limits set out in the Trust Deed) also agree to any modification that is in its opinion not materially prejudicial to the interests of the Noteholders.

Set out below are summaries of certain provisions of the Swap Agreement (and should be construed as such).

#### (1) Payments

The Swap Agreement sets out certain payments to be made from the Issuer to the Swap Counterparty and vice versa. Payments by the Issuer under the Swap Agreement will be limited recourse obligations and will be funded from sums received (i) on the issue of the relevant Notes and/or (ii) in respect of the Underlying Assets relating to such Notes.

The structure of the Swap may change depending on the structure of the relevant Series of Notes, but in general terms when a Swap is entered into in connection with a Series of Notes, payments required between the Issuer and the Swap Counterparty under the Swap Agreement are designed to ensure that, following the making of such payments, the Issuer will have such funds, when taken together with remaining amounts available to it from the issue of the relevant Notes and/or received in respect of the Underlying Assets relating to such Notes, as are necessary for it to meet its obligations under such Notes and the related Transaction Documents. Such obligations may include, without limitation, its obligation:

- (i) to pay the purchase price for the Underlying Assets relating to the relevant Series;



- (ii) to make payments of any Interest Amount (or any other amount payable by it by way of interest), Instalment Amount and Final Redemption Amount; and/or
- (iii) to make payment of certain fees and expenses to Agents, the Custodian, rating agencies, accountants, auditors or other service providers which fees and expenses are associated with or are attributable to such Notes.

The exact payments due under the Swap Agreement for a particular Series will vary from Series to Series depending on the terms of those Series. The exact payments will be agreed between the Issuer and the Swap Counterparty at the time of entry into of the relevant Swap Agreement. There is no restriction upon the payments that may be agreed. In addition, collateral may be transferable to or from the Issuer under the Credit Support Annex. As with payments under the Swap Agreement, the provisions of the Credit Support Annex will be agreed between the Issuer and the Swap Counterparty at the time of entry into of the relevant Swap Agreement. There is no restriction upon the provisions that may be agreed under the Credit Support Annex.

## **(2) Events of Default**

The Swap Agreement provides for certain “Events of Default” (as defined in the Swap Agreement) relating to the Issuer and the Swap Counterparty, the occurrence of which may lead to a termination of the Swap Agreement.

The Events of Default which relate to the Issuer are limited to:

- (i) failure by the Issuer to make, when due, any payment or delivery under the Swap Agreement required to be made by it, if not remedied within the time period specified therein;
- (ii) failure by the Issuer to comply with or perform any agreement or obligation (other than any payment or delivery referred to in paragraph (i) above) to be complied with or performed by it, if not remedied within the time period specified therein;
- (iii) the Issuer disaffirming, disclaiming, repudiating or rejecting, in whole or in part, or challenging the validity of the Swap Agreement or any Swap Transaction thereunder;
- (iv) certain representations made by the Issuer in the Swap Agreement proving to be incorrect or misleading in any material respect when made or repeated;
- (v) certain bankruptcy events relating to the Issuer; and
- (vi) the Issuer consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, or reorganising, reincorporating or reconstituting into or as, another entity in circumstances where the resulting, surviving or transferee entity fails to assume all the obligations of the Issuer under the Swap Agreement.

The Events of Default which relate to the Swap Counterparty are limited to:

- (i) failure by the Swap Counterparty to make, when due, any payment or delivery under the Swap Agreement required to be made by it, if not remedied within the time period specified therein;
- (ii) failure by the Swap Counterparty to comply with or perform any agreement or obligation (other than any payment or delivery referred to in paragraph (i) above) to be complied with or performed by it, if not remedied within the time period specified therein;
- (iii) the Swap Counterparty disaffirming, disclaiming, repudiating or rejecting, in whole or in part, or challenging the validity of the Swap Agreement or any Swap Transaction thereunder;
- (iv) certain representations made by the Swap Counterparty in the Swap Agreement proving to be incorrect or misleading in any material respect when made or repeated;
- (v) certain bankruptcy events relating to the Swap Counterparty; and

- (vi) the Swap Counterparty consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, or reorganising, reincorporating or reconstituting into or as, another entity in circumstances where (a) the resulting, surviving or transferee entity fails to assume all the obligations of the Swap Counterparty under the Swap Agreement or any credit support document (for example, a guarantee) relating thereto or (b) the benefits of any credit support document relating to the Swap Agreement fail to extend (without the consent of the entity providing the credit support) to the performance by such resulting, surviving or transferee entity of its obligations under the Swap Agreement.

Upon the occurrence of an Event of Default under the Swap Agreement, the non-defaulting party may give a notice of termination designating an Early Termination Date in respect of all outstanding Swap Transactions under the Swap Agreement on the third Reference Business Day prior to the Early Redemption Date or the Relevant Payment Date in respect of the Series, as applicable.

### **(3) Termination Events**

The Swap Agreement provides for certain “Termination Events” (as defined in the Swap Agreement) the occurrence of any of which may lead to termination of all outstanding Swap Transactions under the Swap Agreement. These include:

- (i) the occurrence of certain illegality and force majeure events (in the case of illegality, including with respect to any member of the Swap Counterparty’s group);
- (ii) if sums paid or received under the relevant Swap Transaction(s) are subject to a withholding or a deduction on account of tax and such withholding or deduction arises as a result of a change in tax law or as a result of any action taken by a taxing authority or a court after the entry into of the relevant Swap Transaction(s);
- (iii) if sums paid or received under the relevant Swap Transaction(s) are subject to a withholding or a deduction on account of tax as a result of certain merger events with respect to the Swap Counterparty;
- (iv) the Notes being subject to an early redemption (other than where such early redemption is itself caused by a termination of the Swap Agreement);

The occurrence of any of the events described in paragraphs (i) to (iii) above will entitle the Issuer and/or the Swap Counterparty, as provided in the Swap Agreement (depending, amongst other things, on who is the “Affected Party” (as defined in the Swap Agreement)), to terminate the Swap Agreement. If the event described in paragraph (iv) above occurs, an Early Termination Date will be deemed to have been designated by the Swap Counterparty (or the Issuer where the early redemption of the Notes arises as a result of a Swap Counterparty Bankruptcy Event) without the need for a notice of termination.

### **(4) Early Termination Amount**

In connection with any “Early Termination Date” (as defined in the Swap Agreement), either the Swap Counterparty or the Issuer will be required to determine the “Early Termination Amount” (as defined in the Swap Agreement) under the Swap Agreement and whether such amount is payable from the Issuer to the Swap Counterparty or vice versa. Which of the Swap Counterparty or the Issuer determines the Early Termination Amount will depend on the reason for the termination of the Swap Agreement. Where the termination is as a result of an Event of Default, it will be the non-defaulting party who makes the determination. Where the termination is as a result of a Termination Event, the Swap Agreement will specify for each event which of the parties will make such determination (or, in certain circumstances, that both parties will make such determination).

The Early Termination Amount is calculated by reference to the costs that would be incurred by the party making the calculation in replacing (or providing the economic equivalent of) the rights and obligations that have been terminated, or the gain that would be made in so doing (referred to in the

Swap Agreement as the “**Close-out Amount**”) and taking into account the value of any collateral posted between the parties pursuant to any Credit Support Annex to the Swap Agreement.

The termination currency in respect of a Swap Agreement will be the Specified Currency, which will be set out in the applicable Issuance Document.

## **(5) Credit Support Annex**

If specified in the applicable Issuance Document, the Issuer will also enter into a Credit Support Annex with the Swap Counterparty in respect of the Notes. Credit support will be provided by the Issuer to the Swap Counterparty (or from the Swap Counterparty to the Issuer) or both the Issuer and the Swap Counterparty will provide credit support to each other (as specified in the relevant Issuance Document).

The Credit Support Annex will be in the form of (i) the ISDA 2016 Credit Support Annex for Variation Margin (VM) (Bilateral Form - Transfer) (ISDA Agreements Subject to English Law) Copyright © 2016 by the International Swaps and Derivatives Association, Inc. or (ii) any other credit support annex as published by the International Swaps and Derivatives Association, Inc., in each case subject to certain amendments. The sections below provide a summary of the provisions of the Credit Support Annex and of certain terms used in the Credit Support Annex, but do not necessarily set out such terms in full.

## **(6) Delivery and Return of Credit Support**

Under the Credit Support Annex, a party required to provide credit support is known as a “**Transferor**” and the recipient of such credit support is known as the “**Transferee**”.

A Transferor will be required to transfer credit support if its Delivery Amount (VM) for the relevant Valuation Date exceeds what is known as the Minimum Transfer Amount of the Transferor. Credit support will be transferred on a title transfer basis.

A Delivery Amount (VM) arises if the Exposure of the Transferee to the Transferor under the Swap Agreement exceeds the value at that time of the credit support then provided by the Transferor (known as the Transferor’s “**Credit Support Balance (VM)**”), but with the Transferor’s Credit Support Balance (VM) being adjusted to take account of any credit support that is in the process of being transferred (by either party) as if it had been transferred. The “**Delivery Amount (VM)**” will be equal to such Exposure minus the value of such credit support.

If the Delivery Amount (VM) does exceed the Transferor’s Minimum Transfer Amount, the Transferor can then be required to transfer “**Eligible Credit Support (VM)**” having a Value equal to the Delivery Amount (VM).

The credit support comprising Eligible Credit Support (VM) is as specified in the applicable Issuance Document. Eligible Credit Support (VM) will typically comprise cash in an “**Eligible Currency**” and may also comprise specified securities. For the purposes of determining how much Eligible Credit Support (VM) is required to be provided as credit support, each item of credit support is given a Value (see “Value and Exposure” below).

Once a Transferor has provided credit support, it may be entitled to receive assets of the same type back from the Transferee if the parties’ exposure to one another under the Swap Agreement, or the Value of the credit support, changes. The amount a Transferor is entitled to receive back is known as a Return Amount (VM).

A Return Amount (VM) arises if the Value of the credit support comprised in the Transferor’s Credit Support Balance (VM) (again adjusted to take account of any credit support that is in the process of being transferred (by either party) as if it had been transferred) exceeds the exposure of the Transferee

to the Transferor under the Swap Agreement. The “**Return Amount (VM)**” will be equal to such Credit Support Balance (VM) minus such Exposure.

If the Return Amount (VM) for a Valuation Date exceeds the Minimum Transfer Amount of the Transferee, the Transferee is required to transfer credit support of the same type, nominal value, description and amount as that comprised in the Transferor’s Credit Support Balance (VM) (known as “**Equivalent Credit Support (VM)**”, up to an aggregate amount having a Value equal to that Return Amount (VM).

If the operation of the Credit Support Annex requires credit support to be provided by the Issuer as Transferor to the Swap Counterparty as Transferee, the Issuer would use the Collateral to satisfy its obligation.

The “**Minimum Transfer Amount**” of a Transferor will be USD 500,000 (or its equivalent in another currency as at the Issue Date of the first Tranche of the relevant Series) or such lower amount as is specified in the applicable Issuance Document, or, if not so specified, zero; provided that, at any time and from time to time, the Swap Counterparty may designate any amount lower than USD 500,000 (or its equivalent in another currency as at the time of designation) as the Minimum Transfer Amount for either party at that time.

Any deliveries of credit support are subject to rounding. Cash will be rounded up to the nearest whole unit whereas securities will be rounded up to the nearest denomination in the case of a Delivery Amount (VM) and down to the nearest denomination in the case of a Return Amount (VM).

## **(7) Value and Exposure**

The “**Exposure**” of a party (“**X**”) to the other (“**Y**”) under the Swap Agreement represents the amount, if any, that would be payable to X by Y (expressed as a positive number) or by X to Y (expressed as a negative number) under the Swap Agreement if it were terminated, but calculated on a mid-market basis.

The “Value” of an item of credit support will be determined:

- for cash, by taking the equivalent amount of that cash in the Base Currency and by then multiplying by a percentage equal to the Valuation Percentage minus, if applicable, the relevant FX Haircut Percentage; and
- for securities, by taking the value in the Base Currency of the bid price for that security obtained by the Valuation Agent (which may include a bid price quoted by itself in good faith in a commercially reasonable manner) and by then multiplying by a percentage equal to the Valuation Percentage minus, if applicable, the relevant FX Haircut Percentage.

## **The Swap Counterparty**

Pursuant to the terms of the Swap (if entered into), Morgan Stanley & Co. International plc (“**MSIP**”) will agree to act as the Swap Counterparty.

MSIP 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. MSIP is an indirect wholly owned subsidiary of Morgan Stanley. The principal activity of MSIP is the provision of financial services to corporations, governments, financial institutions and individual investors. It is authorised and regulated by the U.K. Financial Conduct Authority and the U.K. Prudential Regulation Authority. MSIP has certain non-equity securities listed on the main market of the Luxembourg Exchange plc which is a regulated market for the purposes of the Markets in Financial Instruments Directive.

To the extent an entity other than MSIP will act as Swap Counterparty in respect of particular Series of Notes, the relevant Issuance Document will include relevant information in respect of such entity.

## UNDERLYING ASSETS - DESCRIPTION

The net proceeds of the Notes of a Series (either from a Secured Series or from an Unsecured Series) will be used by the Issuer to acquire bonds or notes of any form, denomination, type and issue or other assets as specified in the relevant Issuance Document ("the **Underlying Assets**"). The Issuer may enter into a swap (a "**Swap**") with the Swap Counterparty, which references the Underlying Assets or interests in shares or interests in entities (including, but not limited to, companies, limited partnerships, unit trusts and contractual funds), share baskets, equity indices or commodity indices or as otherwise specified in the Issuance Document ("**Reference Assets**"), and whereby the Issuer obtains exposure to the Reference Assets. Notes issued on the basis of Final Terms or a Pricing Supplement that are to be admitted to the Euronext Official List and to trading on its Regulated Market (as defined below) or GEM (as defined below), as applicable, will not be linked to Reference Assets (unless the relevant Notes are issued pursuant to a Series Prospectus).

## SPECIFIED UNDERLYING ASSETS AND SPECIFIED SWAP COUNTERPARTY

Notes to be admitted to the Euronext Official List and to trading on the Regulated Market may only be issued under this Base Prospectus by way of Final Terms for the purposes of the Prospectus Regulation where (i) the Swap Counterparty has securities admitted to trading on a regulated market for the purposes of MiFID II (an “**EEA Regulated Market**”), equivalent third country market or SME Growth Market or the obligations are guaranteed by an entity whose securities are admitted to trading on an EEA Regulated Market equivalent third country market or SME Growth Market (a “**Specified Swap Counterparty**”) and (ii) the Underlying Assets are assets having the following characteristics (“**Specified Underlying Assets**”):

Issuer of Specified Underlying Assets:	Any corporate or sovereign
Status:	Senior, secured or unsecured
Legal nature:	Bonds
Governing law:	English law
Other:	Admitted to trading on an EEA Regulated Market, equivalent third country market or SME Growth Market

In all other cases, the Swap Counterparty and the Underlying Assets in respect of a Series of Notes will be as specified in the applicable Pricing Supplement or Series Prospectus as applicable.

## **TAXATION**

### **Jersey Taxation**

The following summary of the anticipated treatment of the Issuer and Noteholders (other than residents of Jersey) is based on Jersey taxation law and practice as they are understood to apply at the date of this Base Prospectus and is subject to changes in such taxation law and practice. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as they apply to any land or building situate in Jersey). Prospective investors in the Notes should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of the Notes under the laws of any jurisdiction in which they may be liable to taxation.

### **Taxation of the Issuer**

Under Article 123C of the Income Tax (Jersey) Law 1961 and on the basis that the Issuer is resident for tax purposes in Jersey and not a financial services company, a utility company or a large corporate retailer for the purposes of the Income Tax (Jersey) Law 1961, as amended, Memel and any Issuer are subject to income tax in Jersey at a rate of zero per cent. Payments in respect of the Notes may be paid by the Issuer without withholding or deduction for or on account of Jersey income tax and Noteholders (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Notes.

If Memel or the Issuer derive any income from the ownership or development and disposal of land in Jersey, such income will be subject to tax at the rate of 20 per cent. It is not expected that Memel or the Issuer will derive any such income.

### **Noteholders**

Dividends on Securities and redemption proceeds may be paid by the Issuer to non-Jersey resident Noteholders without withholding or deduction for or on account of Jersey income tax. Non-Jersey resident Noteholders will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Securities. Non-Jersey resident Noteholders will be exempt from Jersey income tax on receipt of any distribution from the Issuer. Noteholders who are resident in Jersey for tax purposes may be liable to pay income tax on distributions (including redemption proceeds) received from the Issuer.

See also “Taxation in the United States – Foreign Account Tax Compliance Act” and “Taxation in the United States – Withholding under U.S. Internal Revenue Code of 1986 Section 871(m)” below.

### **Goods and Services Tax**

Jersey imposes a Goods and Services Tax ("**GST**") on the taxable supply of goods and services in or imported into Jersey. The current GST rate is 5 per cent. On the basis that the Issuer has obtained International Services Entity status, the Issuer is not:

- (a) required to register as a taxable person pursuant to the Goods and Services Tax (Jersey) Law 2007;
- (b) required to charge GST in Jersey in respect of any supply made by it; or
- (c) (subject to limited exceptions that are not expected to apply to the Issuer) required to pay GST in Jersey in respect of any supply made to it.

The directors of the Issuer intend to continue to conduct the business of the Issuer such that no GST will be incurred or be payable by the Issuer.



## **Stamp duty**

In Jersey, no stamp duty is levied on the issue, acquisition, ownership, exchange, sale, transfer or other disposition of the Notes between living persons except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer the Notes on the death of a Noteholder of such Notes. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situate in respect of a Noteholder domiciled in Jersey, or situate in Jersey in respect of a Noteholder domiciled outside Jersey). Such duties are payable in respect of the net value of the estate (as at the date of death) rounded up to the nearest £10,000 at a rate of 0.5 per cent. of the first £100,000 and 0.75 per cent. thereafter up to a maximum net value of £13,360,000. The rules for joint holders and holdings through a nominee are different and advice relating to this form of holding should be obtained from a professional advisor.

Purchasers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase or other relevant jurisdiction.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there other estate duties.

## **European Union Directive on the Taxation of Savings Income**

Following the repeal on 1 January 2016 of the EU Savings Tax Directive, and in line with steps taken by other relevant third countries, Jersey has suspended its system of automatic communication to EU Member States of information regarding payments made by certain Jersey collective investment vehicles to EU resident individuals. The introduction of the Common Reporting Standard (see below) supersedes the information exchange arrangements previously in place.

## **Common Reporting Standard**

The OECD has developed a new global standard for the automatic exchange of financial information between tax authorities (the "**Common Reporting Standard**" or "**CRS**"). The CRS has been implemented in the EU by way of the Revised Directive on Administrative Co-Operation (Council Directive 2014/107/EU). Jersey is a signatory to the CRS and commenced exchange of information with tax authorities of other signatory jurisdictions in September 2017.

Jersey legislation which implements the CRS in Jersey came into effect on 1 January 2016 (the "**Jersey CRS Legislation**").

In summary, the Jersey CRS Legislation requires "reporting financial institutions" in Jersey to identify, review and report on "financial accounts" maintained by them and which are held by residents for tax purposes (whether individuals or entities) of jurisdictions with which Jersey has agreed to exchange information. The reporting deadline for Jersey reporting financial institutions to report to the States of Jersey Comptroller of Taxes is 30 June in the year following the calendar year to which the return relates.

Reports will be made to the States of Jersey Comptroller of Taxes and then passed to the competent authority of the jurisdiction in which the account holder is resident. Although the Issuer will attempt to satisfy any obligations imposed on it by the CRS, no assurance can be given that it will be able to satisfy such obligations. Implementation of the CRS may require the Issuer to conduct additional due diligence and report upon accounts held with it by Noteholders who are reportable persons in other participating jurisdictions. The Issuer may require certain additional financial information from Noteholders to comply with its due diligence and reporting obligations under the CRS.

Failure by the Issuer to comply with the obligations under the CRS may result in penalties being imposed on the Issuer and in such event, the target returns of the Issuer may be materially affected. All prospective Noteholders must agree to provide the Issuer at the time or times prescribed by

applicable law and at such times reasonably requested by the Issuer such information and documentation (whether relating to themselves, their investors and/or beneficial owners) prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under CRS.

Prospective Noteholders should, as with FATCA, consult their tax advisors with regard to the potential CRS tax reporting and certification requirements associated with an investment in the Issuer. It is further recommended that Noteholders who are entities consider themselves whether they have any obligations to notify their respective investors, Noteholders or account holders about the information that the Issuer requests, and the potential disclosures that the Issuer will be obliged to make in connection with those persons in complying with its obligations under CRS.

### **Economic substance**

In response to concerns raised in 2017 by the EU Code of Conduct Group on Business Taxation in relation to the need for relevant businesses to demonstrate economic substance in the jurisdiction in which they are resident for taxation purposes (including Jersey), Jersey has enacted the Taxation (Companies - Economic Substance) (Jersey) Law 2019, which we refer to as the "**Substance Law**". The Substance Law applies to financial periods of Jersey resident bodies corporate starting on or after 1 January 2019. The Substance Law is administered by the Jersey Comptroller of Revenue, who has produced guidance as to its application (in conjunction with the other Crown Dependencies). The Substance Law applies to Jersey tax resident companies that carry on banking, insurance, fund management, financing and leasing, headquarters, shipping, and holding company or intellectual property activities and are in receipt of gross income arising from such activities in any relevant financial period. It imposes certain requirements including that such companies be directed and managed in Jersey, have core income-generating activities in Jersey and have an adequate level of employees, expenditures and premises in Jersey. If any of the relevant activities are performed by a Jersey resident company, there is a requirement to satisfy the economic substance test as set out in the Substance Law.

The Issuer is not expected to perform any of the relevant activities as defined in the Substance Law based on the currently available guidance.

The Directors of the Issuer will review this regularly to ensure it remains the case.

**In order to avoid the Issuer being subject to withholding taxes or penalties, all investors must agree to provide the Issuer at times reasonably requested by the Issuer with such information and documentation (whether relating to themselves, their investors and/or beneficial owners) reasonably requested by the Issuer.**

**If you are in any doubt as to your tax position you should consult your professional tax adviser.**

### **Taxation in the United States — Foreign Account Tax Compliance Act**

U.S. legislation commonly referred to as "FATCA" generally imposes a withholding tax of 30% on payments to certain non-U.S. person (including financial intermediaries) with respect to certain financial instruments, unless various U.S. information reporting and due diligence requirements have been satisfied. An intergovernmental agreement (an "IGA") between the United States and the non-U.S. person's jurisdiction may modify these requirements. This legislation generally applies to certain financial institutions that are treated as paying U.S.-source interest or dividends or other U.S.-source "fixed or determinable annual or periodical" income. Withholding (if applicable) applies to any payment of amounts treated as U.S.-source interest or dividend equivalent payments (as discussed below under "Taxation in the United States – Withholding under U.S. Internal Revenue Code of 1986 Section 871(m)") on the Notes. Further, although under current law withholding under FATCA does not apply any payment of gross proceeds of the disposition (including upon retirement) of the Notes, FATCA may apply withholding on gross proceeds in the future to Notes treated as providing for U.S.-source interest or dividends (including dividend equivalent payments). Similarly, although, under

current law, withholding under FATCA does not apply to payments of non-U.S.-source income, such withholding could apply under future U.S. Treasury regulations with respect to certain "foreign passthru payments." However, proposed Regulations delay the effective date on withholding on any such foreign passthru payments to no earlier than two years after issuance of final regulations defining the term "foreign passthru payment." If the terms of a Note are subject to a "significant modification", the Note generally will be treated as reissued at the time of the significant modification. In such a case, the Note's issue date for purposes of any rules that apply to securities issued on or after a specific date will be based on the date of the modification and not the original issue date. If withholding applies to the Notes, the Issuer will not be required to pay any additional amounts including with respect to amounts withheld under FATCA. Prospective investors should consult their tax advisers regarding the potential application of FATCA to the Notes.

In addition, in order to comply with its own obligations under FATCA (including an IGA), the Issuer may require each Noteholder to provide certifications and identifying information about itself and certain of its owners. The Issuer may force the sale in any reasonable manner of a Note held by a Noteholder that fails to provide the requested information. The amount received for a Note could be less than its then fair market value and the Issuer shall have no liability for any shortfall.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS OF NOTES IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND ADVICE ON HOW FATCA MIGHT AFFECT IT IN ITS PARTICULAR CIRCUMSTANCES.

#### **Taxation in the United States – Income on Certain Series Treated as U.S. Source Income for U.S. Withholding tax Purposes**

Although the Notes will be issued by a non-U.S. entity, income on the Notes of certain Series may be at risk of being considered to arise in whole or in part from sources within the United States. Accordingly, as a matter of prudence, with respect to those Series, the Issuer will (and assumes intermediaries also will) treat all income as arising from sources within the United States and will make payments free of U.S. withholding (and backup withholding) taxes only if the holder supplies it with appropriate U.S. tax identification and certification forms, typically an IRS Form W-8BEN or W-8BEN-E. The Issuance Document for a Series will indicate that the Issuer intends to treat the income on that Series of Notes as arising from sources in the United States, if applicable.

#### **Taxation in the United States – Withholding under U.S. Internal Revenue Code of 1986 Section 871(m)**

Section 871(m) of the U.S. Internal Revenue Code and Treasury Regulations promulgated thereunder ("Section 871(m)") impose a withholding tax of 30 % (or lower treaty rate applicable to dividends) on certain "dividend equivalent payments" paid or deemed paid to non-U.S. investors in certain financial instruments linked to U.S. equities (including distributions with respect to certain partnerships) or indices that include U.S. equities. Subject to the discussion below concerning Notes issued before 1 January 2023, a Note linked to U.S. equities or indices that include U.S. equities (a "U.S. equity linked Security") will generally be subject to the Section 871(m) withholding regime if at issuance it (i) has a "delta" of 0.80 or higher with respect to the underlying U.S. equity or (ii) substantially replicates the economic performance of the underlying U.S. equity, as determined by a "substantial equivalence" test that, among other factors, takes into account the initial number of shares of the underlying U.S. equity needed to hedge the transaction fully. The tests described above are set forth in the regulations, and the applicable test will depend on the terms of the relevant U.S. equity linked Note. Under these rules, withholding may apply even where the relevant U.S. equity linked Note does not provide for any payment that is explicitly linked to a dividend. The regulations provide for certain exceptions to the withholding requirements, in particular for instruments linked to certain broad-based indices (a "qualified index") that meet standards set forth in the regulations.

Under a notice issued by the of IRS, Section 871(m) will not apply to Notes issued before 1 January 2023, that do not have a "delta" of one with respect to any U.S. equity. If the terms of a U.S. equity linked Note are subject to a "significant modification", the U.S. equity linked Security will generally be treated as reissued at the time of the significant modification. The substitution of an alternative

rate for LIBOR with respect to a Note referencing a Relevant Rate Benchmark may be treated as a significant modification.

The calculations of "delta" are generally made at the "calculation date", which is the earlier of (i) the time of pricing of the Notes, i.e. when all material terms have been agreed on, and (ii) the issuance of the Notes. However, if the time of pricing is more than 14 calendar days before the issuance of the Notes, the calculation date is the date of the issuance of the Notes. In those circumstances, information regarding the final determinations for purposes of Section 871(m) may be available only after the issuance of the Notes. As a result, a Non-U.S. Noteholder should acquire such a Note only if it is willing to accept the risk that the Note is treated as subject to withholding.

The amount of a "dividend equivalent payment" is equal to, for a "simple" contract, the product of (a) the per-share dividend amount, (b) the number of shares of the underlying U.S. equity referenced in each U.S. equity linked Note and (c) the delta, and for a "complex" contract, the product of (x) the per-share dividend amount and (y) the initial hedge.

The dividend equivalent payment amount will be determined on the earlier of (a) the record date of the dividend and (b) the day prior to the ex-dividend date. Withholding will be imposed on the dividend equivalent payment amount generally on the later of (a) the determination date of the dividend equivalent payment amount and (b) the next date on which a payment on the U.S. equity linked Note is made to the non-U.S. investor (including any disposition or redemption of the Note).

The Issuer will determine whether a U.S. equity linked Note is subject to withholding under Section 871(m) by performing the calculations described above. If withholding is required, the Issuer will not be required to pay any additional amounts with respect to the amounts so withheld.

The Issuer's determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex, and its application may depend on the non-U.S. Noteholder's particular circumstances. For example, the application of Section 871(m) may be affected if a non-U.S. Noteholder enters into another transaction in connection with the acquisition of a U.S. equity linked Note. Accordingly, non-U.S. Noteholders should consult their tax advisers regarding the potential application of Section 871(m) to the Notes in their particular circumstances.

A proposed change of law, if enacted, would apply section 871(m) to certain transactions the payments on which are determined with reference to the income and gain arising from the equity in certain partnerships.

The applicable Issuance Document will indicate whether the Issuer has determined that Notes are subject to Section 871(m) and, if so, will specify contact details for obtaining additional information regarding the application of Section 871(m) to Notes. If Notes are subject to Section 871(m), a non-U.S. holder of the Notes should expect to be subject to withholding in respect of any dividend-paying U.S. securities underlying those Notes.

#### **Withholding on Payments Received by the Issuer on "Dividend Equivalent Payments" in respect of U.S. Equities; Double Withholding**

**Alphabeta Notes.** Alphabeta is a "qualified derivatives dealer" ("QDD") for U.S. federal income tax purposes. As a QDD, Alphabeta is not subject to U.S. withholding tax on dividend equivalent payments it receives on the swaps it enters into with the Swap Counterparty over U.S. equities. If Alphabeta loses its status as a QDD, dividend equivalent payments in relation to U.S. dividends it receives on its swaps will be subject to a 30% withholding tax, which will be passed on to the holders of the Securities. This 30% tax is in addition to, and is not offset by, a 30% withholding tax on dividend equivalents paid (or deemed paid) on the Securities. None of these withholdings will be grossed-up. Accordingly, in the event the Issuer loses its status as a QDD, the Security holders will economically suffer two deductions of 30% (this is colloquially referred to as "Double Withholding"). See "Memel Notes" immediately below for a further discussion of Double Withholding.

**Memel Notes.** Memel does *not* currently intend to become a QDD for U.S. federal income tax purposes. See "Alphabeta Notes" immediately above. Accordingly, where Section 871(m) Note is subject to withholding under Section 871(m), the Issuer will typically also be subject to an additional 30% withholding tax on the income it earns on the assets that the Issuer uses to hedge its exposure under the Section 871(m) Note. To offset the potential cost of such withholding, the Issuer will assess

an additional 30% charge against gross amounts of dividend equivalent payments made on such Section 871(m) Notes. This 30% charge is referred to herein as “Double Withholding” and will be in addition to the 30% withholding tax imposed under Section 871(m) itself. The amount of income that will be withheld under section 871(m) will be computed without regard to any double withholding. Further, for simplicity, Double Withholding will be computed as 30% of the dividend equivalent payments made on a Section 871(m) Note without any attempt to determine the specific amount that was withheld on the Issuer’s assets attributable to the hedging of any particular Section 871(m) Note. Thus, the total amount that is effectively withheld will be 60% of any dividend equivalents payments. The Double Withholding likely will (and a portion of the withholding under Section 871(m) may) be treated as an adjustment to the amount payable on the Note and not as a withholding tax for U.S. and non-U.S. tax purposes, such as determining the amount of any foreign tax credit.

### **Treaty Benefits and Foreign Tax Credits**

Central securities depositories in Sweden, Finland, Norway and Denmark do not (and other Clearing Systems may not) provide the identifying information regarding the beneficial owners of any U.S. equity linked Note that is necessary for an investor to obtain a reduced rate of withholding on dividend equivalent payments. Thus, the Issuer will not be able to reliably associate dividend equivalent payments with valid documentation and will be required to withhold from dividend equivalent payments at a rate of 30 per cent. If the beneficial owner of a Security is entitled to a reduced rate of withholding under a treaty, this will result in over-withholding. Non-U.S. investors should consult with their tax advisers regarding an investment in the Securities (including the possibility of obtaining a refund of the U.S. withholding tax).

In addition, an investor likely will not be able to claim a foreign tax credit in the country of its residence (i) for taxes that it incurs on account of its inability to qualify for a reduced rate under a treaty and (ii) in respect of double withholding.

### **Taxation in the United States Affects United States Persons Indirectly Acquiring an Interest in the Notes**

The characterization of a Note (and the Issuer) for U.S. tax purposes may affect the U.S. tax treatment of a U.S. taxpayer that holds (directly or indirectly) an equity interest in a holder of a Note (an “Indirect U.S. Holder”) and may not be a suitable investment for such a person. Prospective investors should consult their own tax advisors regarding the characterization of the Notes (and the Issuer) for U.S. tax purposes and the effects that the characterization may have on the direct and indirect holders of their securities. The Issuer is not obligated, and does not intend, to provide information necessary for an Indirect U.S. Holder to make certain tax elections or otherwise comply with its U.S. tax reporting obligations.

## SUBSCRIPTION AND SALE AND SELLING RESTRICTIONS

### The Dealer Agreement

Morgan Stanley & Co. International plc (the "**Dealer**"), entered into to a dealer agreement, as may be amended, restated and/or supplemented from time to time in respect of the Notes to be issued under the Programme (the "**Dealer Agreement**") and pursuant to the Dealer Agreement will agree to subscribe or procure subscribers for the Notes of each Series at the issue price specified in the applicable Issuance Document for such Notes. Pursuant to the Dealer Agreement, the Issuer will agree to indemnify the Dealer against certain liabilities, incurred in connection with the issue of the Notes. The Dealer Agreement may be terminated at any time by the Dealer upon no less than 15 days' written notice to the other parties. Pursuant to the Expenses Agreement, the Dealer will agree to pay for certain of the operating expenses of the Issuer, incurred in connection with the issue of the Notes.

Upon the terms and subject to the conditions contained in the Dealer Agreement, the Dealer:

- (a) on an Issue Date, will agree to subscribe and pay for the maximum number of the Notes available in such Series at their issue price, provided the subscription conditions precedent are satisfied;
- (b) will agree to, on each Underlying Asset Subscription Date on which new or existing Noteholders have agreed to purchase further Custodian Notes from the Dealer, purchase the same such number of Custodian Notes from the Note Custodian at a price per Custodian Note equal to the purchase price of Notes on the relevant Underlying Asset Subscription Date.

Under the terms of the Dealer Agreement, the Issuer will repurchase from the Dealer an amount of Notes set out in the Issuance Document at a price per Note equal to their issue price.

The purchase of Notes by the Dealer is conditional upon there not having been any adverse change, development or event reasonably likely to involve a prospective adverse change in the condition (financial or otherwise) of the Issuer which is material in the context of the transaction and on the subscription conditions precedent being satisfied on the relevant date. The representations and warranties that will be given by the Issuer on the Issue Date for a Series and on each date on which Custodian Notes are purchased by the Dealer from the Issuer are as follows:

- (i) this Base Prospectus and Issuance Document for the relevant Series (apart from the issue price of the Notes of such Series, the repurchase price of the Custodian Notes, the purchase price of Series Assets and details of Series Assets purchased on the Issue Date and on each date on which Custodian Notes are sold to the Dealer) contains all the information with respect to the Issuer and to the relevant Notes which is material in the context of the issue and purchase of the relevant Notes;
- (ii) the statements contained in this Base Prospectus and Issuance Document for the relevant Series (apart from the issue price of the Notes of such Series, the repurchase Custodian Notes, the purchase price of the Series Assets being purchased on the Issue Date and on each date on which Custodian Notes are sold to the Dealer, and whether the Notes are Secured Notes or Unsecured Notes) relating to the Issuer are in every material way true and accurate and not misleading;
- (iii) there are no other facts (apart from the issue price of the Notes of such Series, the repurchase price of the Custodian Notes, the purchase price of the Series Assets

being purchased on the Issue Date and on each date on which Custodian Notes are sold to the Dealer, and whether the Notes are Secured Notes or Unsecured Notes) in relation to the Issuer the omission of which would, in the context of the issue and sale of the relevant series of Notes, make any statement in this Base Prospectus and the relevant Issuance Document misleading in any respect;

- (iv) the Issuer (i) in the case of Notes issued by Memel acting in respect of its protected cells from time to time, has been duly created as a protected cell of Memel, which is a protected cell company with limited liability and is validly existing under the laws of its jurisdiction of incorporation, or (ii) in the case of Notes issued by Alphabeta, has been duly incorporated as a company with limited liability and is validly existing under the laws of its jurisdiction of incorporation;
- (v) the financial statements (if any) of the Issuer have been prepared in accordance with the requirements of law and with accounting principles generally accepted in the jurisdiction of incorporation or recognition, as the case may be, of the Issuer consistently applied and they give a one and fair view of the financial position of the Issuer as at the dates at which they were prepared (the “**relevant date**”), and of the results of the operations of the Issuer for the periods in respect of which they have been prepared and, since the relevant date, there has not been any material adverse change or any development involving a prospective material adverse change in the condition (financial or otherwise) of the Issuer;
- (vi) the Secured Notes of each Series and the obligations of the Issuer under the Transaction Documents will be secured by and in accordance with the Principal Trust Deed;
- (vii) other than as created by the provisions of any of the Transaction Documents, in respect of the Secured Series only, there exists no mortgage, lien, pledge, security interest or other charge over any part of the Issuer’s assets or undertaking which, had the Principal Trust Deed been executed and the Notes of any Series been issued, would rank in priority to or pari passu with the security for the Secured Notes of such Secured Series;
- (viii) the issue of the Notes and the execution of the Transaction Documents to which it is a party and the creation of the security, in respect of the Secured Series only, for the Secured Notes have been duly authorised by the Issuer and that upon due execution, issue and delivery the same will constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms subject to the laws of bankruptcy and other laws affecting the rights of creditors generally;
- (ix) the authorisation of the Programme and the Notes to be issued thereunder and the security, in respect of the Secured Series only, therefor under the Principal Trust Deed, the offering and issue of the Notes on the terms and conditions contained in this Agreement and in the Base Prospectus and the execution and delivery by the Issuer of each of the Transaction Documents to which it is a party and compliance by the Issuer with the terms of such of those Transaction Documents to which it is expressed to be a party;
- (x) do not, and will not on the Issue Date of any Series conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under, the constitutive documents of the Issuer or any applicable laws and regulations of its jurisdiction of incorporation or recognition, as the case may be, which would

materially adversely affect the ability of the Issuer to perform its obligations under this Agreement or any of the Transaction Documents; and

- (xi) do not, and will not on the Issue Date of any Series infringe the terms of, or constitute a default under, any trust deed, agreement or other instrument or obligation to which the Issuer is a party or by which the Issuer or any part of its properties, undertaking, assets or revenues are bound, where such infringement or default might reasonably be expected to have a material adverse effect in the context of the issue of the Notes of the relevant Series;
- (xii) the Issuer is not involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the Programme or the issue of any Series of Notes nor, so far as the Issuer is aware, is any such litigation or arbitration pending or threatened;
- (xiii) all consents and approvals of any court, government department or other regulatory body required by the Issuer for the execution and delivery of the Dealer Agreement and the Transaction Documents to which it is a party and the issue and distribution of Notes and the performance of the terms of the Notes and the Transaction Documents to which it is a party have been obtained and are in full force and effect;
- (xiv) no event has occurred which would constitute (after the issue of any Notes) an Event of Default (under Condition 12 of the Terms and Conditions of the Notes) or a Potential Event of Default or a Mandatory Redemption Event under the Notes or which with the giving of notice or the lapse of time or other condition would (after the issue of any Notes) constitute an Event of Default or a Potential Event of Default or a Mandatory Redemption Event;
- (xv) the Issuer has not engaged in any activities since its recognition or incorporation (other than those incidental to its registration under the laws of its jurisdiction of recognition and over any other jurisdiction in which it seeks to establish a branch and other appropriate steps including the arrangements for the payment of fees to its directors, to the authorisation of the establishment of the Programme and the issue of Notes and the entry into and performance of its obligations under the Transaction Documents and the Alternative Programme Agreements to which it is a party and the matters contemplated in the Base Prospectus); nor has it paid any dividends nor made any distributions (other than dividends of up to US\$750 per Series (if any) or other series under alternative programmes of the Issuer) since its recognition or incorporation;
- (xvi) the Issuer has not offered and will not offer any Notes to the public in any jurisdictions where such an offer would contravene any relevant law, regulation or directive;
- (xvii) (in respect of each Series agreed to be issued and subscribed for as contemplated herein) neither the Issuer, its affiliates (as defined in Rule 405 of the Securities Act) nor any persons (other than the Dealer) acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”)) in respect of the Notes and it and they have complied and will comply with the offering restrictions requirement of such Regulation and neither the Issuer, its affiliates nor any persons acting on its or their behalf has engaged or will engage, in any form of general solicitation or general advertising (as those terms are used



in Rule 502(c) under the Securities Act) in connection with any offer or sale of Notes in the United States;

- (xviii) the Issuer is a “**foreign issuer**” (as such term is defined in Regulation S) which reasonably believes that there is no “substantial U.S. market interest” (as such term is defined in Regulation S) in the Issuer’s debt securities;
- (xix) neither the Issuer, nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act (“**Regulation D**”)), nor any person acting on its or their behalf has taken, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to cause or result in, the stabilisation in violation of applicable laws or manipulation of the price of any security of the Issuer to facilitate the sale or resale of the Notes;
- (xx) neither the Issuer nor any of its affiliates (as defined in Rule 405 under the Securities Act), nor any person acting on its or their behalf has engaged or will engage in any “directed selling efforts” (within the meaning of Rule 902) with respect to the Notes;
- (xxi) neither the Issuer nor any of its affiliates (as defined in Rule 501(b) of Regulation D), nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer and sale of the Notes;
- (xxii) the outstanding securities of the Issuer are owned exclusively by persons who are not U.S. persons and the Issuer is not making and does not propose to make a public offering in the United States of its securities (terms used in this paragraph are used as defined in the Investment Company Act of 1940 (the “**Investment Company Act**”) except that “U.S. persons” shall have the meaning specified in Regulation S);
- (xxiii) that:
  - a. it has not engaged and will not engage in any directed selling efforts (within the meaning of Rule 902 under the Securities Act) in connection with the offer or sale of the Notes; and
  - b. it has not offered or sold and will not offer or sell, directly or indirectly, any Notes in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act; and
  - c. neither the Issuer nor any of its respective affiliates or any person (other than the Dealer) acting on its or their behalf, has made or will make offers or sales of any securities under circumstances that would require the registration of any of the Notes under the Securities Act or registration of the Issuer under the Investment Company Act.

No action has been taken by the Issuer or the Dealer which would or is intended to permit a public offer of Notes of a Series in any country or jurisdiction where action for that purpose is required. Accordingly, the Dealer has undertaken that it will not, directly or indirectly, offer or sell any Notes of a Series or distribute or publish any Base Prospectus, prospectus, form of application, advertisement or other document or information in any country or jurisdiction where action for that purpose is required and neither this Base Prospectus nor any other circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any

country or jurisdiction except under circumstances which will, to the best of its knowledge and belief, result in compliance with applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

## **Selling restrictions**

### ***United States***

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such terms are used in Regulation S) except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. The Issuer has not registered and will not register under the Investment Company Act. Terms used in this paragraph and not otherwise defined herein have the meanings given to them by Regulation S.

The Notes have not been and will not be registered under the Securities Act, or the securities laws of any state in the United States, and are subject to U.S. tax requirements. The Notes may not be offered, sold or delivered at any time, directly or indirectly, within the United States (which term includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America) or to or for the account or benefit of a "U.S. Person" (as defined in Regulation S under the Securities Act or the United States Internal Revenue Code of 1986) to any person who falls outside the definition of "Non-United States Person" (as defined in rule 4.7(a)(1)(iv) of the rules of the Commodity Futures Trading Commission) or to any "U.S. Person" within the meaning of the final rules promulgated under Section 15G of the Securities Exchange Act of 1940, as amended.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

This Base Prospectus and any Issuance Document have been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States to non-U.S. persons. This Base Prospectus and any Issuance Document do not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Base Prospectus and/or any Issuance Document by any non-U.S. person outside the United States to any U.S. person or to any person within the United States is unauthorised and any disclosure of any of their contents, without the prior written consent of the Issuer, is prohibited.

**In addition, the Notes may not be transferred or held by any person that is a "United States Person" within the meaning of section 7701(a)(30) of the U.S. Internal Revenue Code of 1986.**

### ***European Economic Area***

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

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Dealer; or
- (iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

### ***United Kingdom***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***Jersey***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not prior to the consent of the Jersey Registrar pursuant to the Companies (General Provisions) (Jersey) Order 2002, as amended being obtained and becoming effective, circulated an invitation to acquire or apply for any Notes in circumstances where such invitation constitutes or may constitute a prospectus for the purposes of the Companies (Jersey) Law 1991, as amended or the Companies (General Provisions) (Jersey) Order 2002, as amended. For the avoidance of any doubt, this Base Prospectus does not constitute a prospectus for the purposes the Companies (Jersey) Law 1991, as amended or the Companies (General Provisions) (Jersey) Order 2002, as amended and it is not necessary for the prior consent of the Jersey Registrar pursuant to the Companies (General Provisions) (Jersey) Order 2002, as

amended to be obtained or become effective, prior to the circulation of an invitation to acquire or apply for any Notes under this Programme and constituted under this Base Prospectus only.

### **Germany**

The Notes may only be offered or sold or publicly promoted or advertised in the Federal Republic of Germany in compliance with the German Securities Prospectus Act (Wertpapierprospektgesetz) of June 22, 2005, as amended from time to time, or any other laws and regulations applicable in the Federal Republic of Germany in relation to the issuance, offer and sale of securities.

The Dealer has represented and agreed that the Notes have not been and will not be offered or sold or publicly promoted or advertised by it in the Federal Republic of Germany other than in compliance with the German Securities Prospectus Act or any other laws and regulations applicable in the Federal Republic of Germany in relation to the issuance, offer and sale of securities.

Neither this Base Prospectus nor any accompanying Prospectus Supplement nor any other offer document in relation to the Notes have been approved by the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**")) nor have they been notified to BaFin by any competent authority in accordance with § 17(3) of the German Securities Prospectus Act.

### **Prohibition of Sales to EEA Retail Investors**

If a Issuance Document includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Dealer will be deemed to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any relevant Notes which are the subject of the offering contemplated by this Base Prospectus as completed by such Issuance Document in relation thereto to any retail investor in the European Economic Area Issuance Document:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **Prohibition of Sales to UK Retail Investors**

If a Issuance Document includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Dealer will be deemed to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any relevant Notes which are the subject of the offering contemplated by this Base Prospectus as completed by such Issuance Document in relation thereto to any retail investor in the United Kingdom:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealer following a change in a relevant law, regulation or directive or in respect of any Series.

## GENERAL INFORMATION

- (1) The establishment of the Programme was authorised:
  - (a) in respect of Memel, by a resolution of the Memel Board on 25 March 2021. This Base Prospectus was presented to the Memel Board in connection with the update of the Programme and approved by resolutions of the Memel Board passed on or around the date of this Base Prospectus. The issue of each Series of Notes will be authorised by a separate resolution of the Memel Board; and
  - (b) in respect of Alphabeta, by a resolution of the Alphabeta Board on 27 September 2021. This Base Prospectus was presented to the Alphabeta Board in connection with the update of the Programme and approved by resolutions of the Alphabeta Board passed on or around the date of this Base Prospectus. The issue of each Series of Notes will be authorised by a separate resolution of the Alphabeta Board.
- (2) All other authorisations, consents and approvals required to be obtained by the Issuer for, or in connection with, the creation of the Programme and issue of the Series of Notes, the execution, delivery and performance by the Issuer of the obligations expressed to be undertaken by it under the Relevant Agreements to which it is a party and the distribution of this Base Prospectus have been (or will, prior to the Issue Date, be) obtained and are in full force and effect.
- (3) 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 December 2020.
- (4) The Issuer is not involved in any governmental, legal or arbitration proceedings during the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability, nor is the Issuer aware of any such proceedings being pending or threatened.
- (5) For so long as any of the Notes may be issued pursuant to this Base Prospectus, electronic copies of the following documents will be (i) available for inspection respectively on the Morgan Stanley website (<https://sp.morganstanley.com/eu/documents>) and (ii) incorporated by reference in, and form part of, this Base Prospectus:
  - (a) the constitutive documents in respect of the relevant Issuer;
  - (b) the Trust Deed in respect of the relevant Issuer;
  - (c) the annual accounts of Alphabeta in respect of the financial years ended 31 December 2019 and 31 December 2020; and
  - (d) the annual accounts of Memel in respect of the financial years ended 31 December 2019 and 31 December 2020,
- (6) The information on the Morgan Stanley website (<https://sp.morganstanley.com/eu/documents>) does not form part of the Base Prospectus unless such information has been expressly incorporated by reference into the Base Prospectus.

- (7) The Issuer intends that some Series of Notes will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) (if any) for each Series of Notes will be set out in the relevant Issuance Document.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each issue of Series of Notes in respect of which Final Terms are required for the purposes of the Prospectus Regulation.*

**Final Terms dated [●]**

**[MEMEL CAPITAL PCC (THE "COMPANY") ACTING IN RESPECT OF [●]  
PC]/[ALPHABETA ACCESS PRODUCTS LTD]**

**LEGAL ENTITY IDENTIFIER (LEI): [[Memel:  
635400NB6CRZGWRNRQ75]/[Alphabeta: 635400IVGSQEAHVLPB96]]**

**(THE "ISSUER")**

**Issue of [AGGREGATE NOMINAL AMOUNT OF SERIES] [TITLE OF NOTES]  
under the  
Secured and Unsecured Notes Programme**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") contained in the Principal Trust Deed dated [●]. In addition, "US\$", "USD" or "\$" refer to the lawful currency of the United States of America, being US Dollars. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 1 March 2022 (as amended and/or restated from time to time) [and the supplements to the Base Prospectus dated [●] and [●]]. The Base Prospectus is available for viewing at the website of Euronext Dublin (<https://live.euronext.com>) and at the website of the GSX ([www.gsx.gi](http://www.gsx.gi)) [[and] during normal business hours at [●]] [and copies may be obtained from [●]].

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a

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<sup>1</sup> To be included in a Issuance Document if the relevant Notes are not offered to retail investors.



customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>2</sup>

#### **OPTION 1 – MiFID II / UK MIFIR Target market legend for professional investors and ECPs**

##### **[MiFID II product governance / Professional investors and ECPs only target market**

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

##### **[UK MIFIR product governance / Professional investors and ECPs only target market**

– Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.]

#### **OPTION 2 – MiFID II / UK MIFIR Target market legend for retail investors, professional investors and ECPs**

##### **[MiFID II product governance / Retail investors, professional investors and ECPs target market**

– Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients each as defined in MiFID II; **EITHER** [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of

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<sup>2</sup> To be included in a Issuance Document if the relevant Notes are not offered to retail investors.

the Notes to retail clients are appropriate - investment advice, portfolio management, non-advised sales and pure execution services - subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]]<sup>3</sup>

**[UK MIFIR product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**")]/[COBS] and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); **EITHER** [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice, and portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable.<sup>4</sup>]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

The Notes issued by the Issuer will be subject to the Conditions and also to the following terms in relation to the Notes.

*[Italics and footnotes herein denote guidance for completing the Final Terms and should be deleted prior to completing these Final Terms.]*

*(Note: Headings are for ease of reference only.)*

- |                    |  |
|--------------------|--|
| (1) Issuer:        | [Memel Capital PCC acting in respect of [●] PC]/[Alphabeta Access Products Ltd.] (the " <b>Issuer</b> ") |
| (2) Series Number: | [●] [The Notes are to be consolidated and form a single series with [●]]                                 |

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<sup>3</sup> Delete as appropriate.

<sup>4</sup> Delete as appropriate.

- (3) Trade Date: [●]
- (4) Issue Date: [●]
- (5) Maturity Date: [●], unless redeemed earlier in accordance with the Conditions.
- (6) Maturity Date Extension (Condition 9(a)(ii)): [Applicable]/[Not Applicable]
- (7) Specified Currency: [US\$]/[specify]
- (8) Aggregate nominal amount of Notes to be issued as at the Issue Date: [●]
- (9) Issue Price (face value) per Note: [US\$][●]
- (10) Maximum number of Notes in the Series on the Issue Date: [●]
- (11) Purchase Price (amount payable at Issue Date) per Note: [●]
- (12) Dealer purchase price (at Issue Date): [Item 9 x item 10]
- (13) Number of Notes to be repurchased by the Issuer (at Issue Date) (Custodian Notes): [●]
- (14) Issuer repurchase price (purchase price of the Custodian Notes) (at Issue Date): [Item 12 x item 10]
- (15) Trading method: [Unit]/[Nominal Amount]/[specify]
- (16) Status of the Notes: [Secured]/[Unsecured] [limited recourse obligations of the Issuer].
- (17) (A) [If Secured]:
- Mortgaged Property: [Bonds/Notes] [specify]
- (i) Underlying Assets – [Not applicable]/[Applicable]
- Bonds/Notes: If applicable:
- The Underlying Assets shall initially comprise [●] in principal amount of [insert description of the underlying assets] identified below:
- Underlying Assets Obligor: [●]
- Address: [●]
- Country of incorporation: [●]
- Nature of business: [●]

	Regulated market on which admitted to trading:	[●]
	Asset:	[●]
	ISIN:	[●]
	Bloomberg Ticker:	[●]
	Coupon:	[●]
	Maturity:	[●]
	Currency:	[●]
	Status:	[●]
	Legal nature:	[●]
	Governing law:	[●]
	Clearing:	[●]
	Market on which admitted to trading:	[●]
	[Hyperlink to documentation relating to Underlying Assets:	[●]
(ii) Cash Account:	[Not applicable] / [Applicable]	
	If applicable:	
	[Cash Account opened pursuant to the [Cash Account Agreement dated [date]] / [Custody Agreement].]	
	[Initial Cash Account Amount: [zero/specify amount]]	
(iii) Other:	Issuer's rights, title and interest under the (i) Agency Agreement (to the extent that such rights relate to sums held to meet payments due in respect of the Notes); [(ii) Custody Agreement;] and (iii) any agreement by which the Issuer purchases the [Bonds/Notes], the Swap Agreement and any other Transaction Document to which the Issuer is a party or and as specified in the relevant Supplemental Trust Deed.	
(B) [If Unsecured]:		
Unsecured Series Property:	[Bonds/Notes] [Specify]	

[(i) Underlying Assets – [Not applicable]/[Applicable]  
Bonds/Notes;

If applicable:

The Underlying Assets shall initially  
comprise [●] in principal amount of [*insert  
description of the underlying assets*]  
identified below:

Underlying Assets Obligor: [●]

Address: [●]

Country of incorporation: [●]

Nature of business: [●]

Regulated market on  
which admitted to trading: [●]

Asset: [●]

ISIN: [●]

Bloomberg Ticker: [●]

Coupon: [●]

Maturity: [●]

Currency: [●]

Status: [●]

Legal nature: [●]

Governing law: [●]

Clearing: [●]

Market on which  
admitted to trading: [●]

[Hyperlink to  
documentation relating  
to Underlying Assets: [●]]

(ii) Cash Account; [Not applicable] / [Applicable]

If applicable:

[Cash Account opened pursuant to the [Cash  
Account Agreement dated [*date*]] / [Custody

Agreement].]

[Initial Cash Account Amount: [zero/specify amount]]

(iii) Other;

Issuer's rights, title and interest under the (i) Agency Agreement (to the extent that such rights relate to sums held to meet payments due in respect of the Notes); [(ii) Custody Agreement;] and (iii) any agreement by which the Issuer purchases the [Bonds/Notes], and/or the Swap Agreement and any other Transaction Document to which the Issuer is a party or as otherwise specified in the relevant Final Terms.]

(18) Income on the Notes Treated as U.S. Source Income;

Although the Notes will be issued by a non-U.S. entity, income on the Notes may be considered to arise in whole or in part from sources within the United States. Accordingly, as a matter of prudence, the Issuer will (and assumes intermediaries also will) treat all income as arising from sources within the United States and will make payments free of U.S. withholding (and backup withholding) taxes only if the holder supplies it with appropriate U.S. tax identification and certification forms, typically an IRS Form W-8BEN or W-8BEN-E.

For the purposes of Condition 11(a), a certification or other document will be treated as “required by law” if it actually is required by law or would be required by law if the income from the Notes were treated as arising from sources within the United States for U.S. federal income tax purposes.

(19) U.S. Withholding on Dividend Equivalents:

[Not applicable] / [Applicable]

(20) Double Withholding:

[Not applicable] / [Applicable]<sup>5</sup>

(21) Custody Agreement:

[Not applicable] / [Applicable]

If applicable:

[The custody agreement made between, among others, the Custodian and the Issuer on [date].]

[The [Bonds/Notes] will be held in a

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<sup>5</sup> In general, Double Withholding will apply to Memel Securities to which “U.S. Withholding Applies to Dividend Equivalents” is applicable. Double Withholding generally will not apply to Alphabeta securities (unless it loses its QDD status).

- securities account maintained by or on behalf of the Custodian in accordance with the terms of the Custody Agreement.]
- (22) Type of Notes: [Fixed Rate Notes]/[Floating Rate Notes]/[Zero Coupon Notes]
- (23) Instructing Creditor (See Conditions 3(d), 9(b)(v), 12 and 13): The Noteholders
- (24) Credit Event; Each of:  
[Bankruptcy]/[Obligation Acceleration]/[Obligation Default]/[Failure to Pay]/[Repudiation/Moratorium]/[Restructuring] in relation to the Underlying Assets  
[Each as defined in the ISDA Credit Definitions]
- (25) Order of Priority (as specified in the Supplemental Trust Deed date on or about the date of these Final Terms, in connection with the issue of the Notes in connection with these Final Terms (the "Supplemental Trust Deed")): [Counterparty Priority]/[Noteholder Priority]/[Other Priority]
- (26) Use of Proceeds; The Issuer will invest [●] of the issuance proceeds [in the purchase of the Underlying Assets and will enter into a Swap with the Swap Counterparty.]
- (27) Substitution of Underlying Assets: [Applicable]/[Not Applicable]

#### PROVISIONS RELATING TO COUPON

- (28) Fixed Rate Notes: [Applicable]/[Not Applicable]  
*[If Fixed Rate Notes are "Applicable" include the following details, otherwise delete]:*
- (i) Fixed Interest Rate: [Specify rate]
- (ii) [Fixed Coupon Amount]: [Specify]
- (iii) [Broken Amount]: [Specify]
- (29) Floating Rate Notes: [Applicable]/[Not Applicable]  
*[If Floating Rate Note are "Applicable" include the following details,, otherwise delete]*
- (i) [ - Margin]: [Specify]
- (ii) [ - Reference Rate]: [SOFR]/[SONIA]/[Specify]
- [If SONIA is specified as the Reference*

*Rate include (iii) to (viI) below, otherwise delete]:*

- (iii) [-SONIA Compound with Lookback]: [Applicable]/[Not Applicable]
- (iv) [-Lookback Days]: [Specify]
- (v) [-SONIA Compound Observation Period Shift]: [Applicable]/[Not Applicable]
- (vi) [-Observational Shift Days]: [Specify]
- (vii) [Relevant Screen Page]: [Specify]
- (viii) [Screen Rate Determination]: [Applicable]/[Not Applicable]
- (ix) [-Interest Participation Rate]: [Specify]
- (x) [ISDA Determination]: [Applicable]/[Not Applicable]
- (30) Linear Interpolation: [Applicable]/[Not Applicable]
- (31) Interest Payment Date: [Specify]
- (32) Interest Commencement Date: [Issue Date]/[Specify]
- (33) Interest Determination Date: [Specify]
- (34) Day Count Fraction: [Specify]
- (35) Zero Coupon Note Provisions: [Applicable]/[Not Applicable]
- (36) Maximum Interest Rate: [Applicable]/[Not Applicable]
- (37) Minimum Interest Rate: [Applicable]/[Not Applicable]

**PROVISIONS RELATING TO BENCHMARK DISCONTINUANCE OR PROHIBITION ON USE (Condition 8(d))**

- (38) Alternative Pre-nominated Reference Rate: [Specify]
- (39) Early Redemption Amount (Benchmark Trigger Event) – Fair Market Value Less Costs: [Applicable]/[Not Applicable]
- (40) Early Redemption Amount (Benchmark Trigger Event) – Fair Market Value: [Applicable]/[Not Applicable]

**PROVISIONS RELATING TO REDEMPTION**

- (41) Issuer has the right to redeem Notes in its sole discretion: [Applicable]/[Not Applicable]
- (42) Redemption Amount: Unless previously redeemed, or purchased and cancelled in accordance with the Conditions, the Issuer shall redeem the Notes on the Maturity Date at an amount equal to [ ]. *[Insert details for calculating final redemption amount and early redemption amount.]*



- |   |  |
|---|--|
| (43) Noteholder has the right to redeem the Notes prior to Maturity:  | [Applicable]/[Not Applicable]  |
| (44) Purchase at Issuer's Option:                                     | [Applicable]/[Not Applicable]  |
| (45) Redemption by Instalments:                                       | [Applicable]/[Not Applicable]  |
| (46) Exchange of Notes for Underlying Assets:                         | [Applicable]/[Not Applicable]  |
| (47) Exchange of Series:  | [Applicable]/[Not Applicable]  |
| (48) Mandatory Early Redemption:                                      |  |
| (i) Underlying Disposal Event:  | The Notes will be mandatorily redeemed upon the occurrence of any event as set out in Condition 9(b)(i) [as amended by Special Condition [•]]. |
| (ii) Early Redemption of Underlying Assets:                           | Condition 9(b)(ii) [will]/[will not] apply [as amended by Special Condition [•]].  |
| (iii) Credit Event:   | Condition 9(b)(iii) [will]/[will not] apply [as amended by Special Condition [•]].   |
| [Credit Event Redemption Amount/Early Redemption Amount]:             | [The realised value of the Series Assets divided by the number of outstanding Notes other than the Custodian Notes.]                           |
| (49) Termination of Swap Agreement at the Option of the Counterparty: | [Applicable/Not applicable]  |

## **DISTRIBUTION**

- |   |   |
|---|---|
| (50) Dealer:                                  | Morgan Stanley & Co International plc.  |
| (51) Notes cleared through a clearing system: | [Not Applicable]/[Specify clearing systems]   |
| (52) U.S. federal income tax consequences:    | <p>[The Notes are [not] Specified Notes for the purposes of Section 871(m).] <i>(The Notes will not be Specified Notes if they do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis will be required)</i> [Based on market conditions on the date of these Final Terms, the Issuer has made a preliminary determination that the Notes are [not] Specified Notes for purposes of Section 871(m). This is a preliminary determination only that is subject to change based on</p> |

market conditions on the Issue Date. If the Issuer's final determination is different then it will give notice of such determination.]

(53) Selling Restrictions: Regulation S

## **RELATED AGREEMENTS AND SECURITY**

(54) Related Agreements: [Swap Agreement]

(55) [Swap Counterparty]/[Other Counterparty] : [Morgan Stanley & Co. International plc.]

(56) Date of termination of Swap Agreement (pro rata, in the case of a purchase by the Issuer of some only of the Notes (as applicable)): [The date falling one Business Day prior to the Maturity Date or, if the Notes are redeemed early, one Business Day prior to the Early Redemption Date or, if the Notes are purchased by the Issuer pursuant to the Issuer's purchase option, one Business Day prior to the relevant purchase date]

(57) Additional Security Documents: [*Insert any additional Security Documents in addition to the Supplemental Trust Deed*]

(58) [If Related Agreement is a Swap Agreement, collateral under the Swap Agreement:] [cash in [currency]

(59) Transaction Documents: [As defined in the Conditions][and [*specify any additional Transaction Documents*]

## **AGENTS**

(60) Agents:

(i) Calculation Agent: [*Specify name and address*]

(ii) Paying Agent: [*Specify name and address*]

[(iii) Additional Paying Agent(s):] [*Specify name and address*]

(iv) Registrar: [*Specify name and address*]

(v) Transfer Agent(s): [*Specify name and address*]

[(vi) Cash Account Bank (if applicable):] [Not applicable]

[The Bank of New York Mellon London Branch

One Canada Square

London E14 5AL]

(vii) Note Custodian: Morgan Stanley & Co. International plc  
25 Cabot Square  
Canary Wharf  
London E14 4QA

(viii) Custodian (if applicable): [Not applicable]

[The Bank of New York Mellon London Branch

One Canada Square

London E14 5AL]

## OTHER TERMS

- (61) Implementation of Financial Transaction Tax: [Applicable]/[Not applicable]
- (62) Relevant Financial Centre: [Applicable]/[Not Applicable]
- (63) Form of Notes: *[Option 1 Bearer Notes:* Temporary Global Note exchangeable for a Permanent Global Note [or definitive Notes in bearer form] [or definitive Notes in bearer form and/or registered note certificates]. The Permanent Global Note will be exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.]
- [NB: Bearer Notes should only be issued if they can be in registered form for U.S. Federal Income tax purposes]***
- [Option 2 Registered Notes, no global notes:* The Notes will be represented by Registered Note Certificates.]
- [Option 3 Registered Notes, with global notes* The Notes (other than those sold to Institutional Accredited Investors who are also Qualified Purchasers which shall be definitive form) will be represented by a Registered Global Note, deposited with a common depositary for Euroclear and for Clearstream, Luxembourg. The Registered Global Note will be exchangeable in whole but not in part for registered note certificates in definitive form, in limited circumstances.]
- (64) Specified Denominations: *[specify minimum denomination]* and integral multiples of *[specify currency][amount]* thereafter up to and including *[specify maximum denomination for definitive Notes]*. No notes in definitive form will be issued with a denomination above *[specify maximum denomination for definitive Notes]*.
- (65) Business Day Convention: [Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[FRN Convention]/[Floating Rate Convention]/[Eurodollar Convention]/[No Adjustment/Unadjusted]
- (66) Business Days or other special provisions relating to Payment Dates: *[Specify additional cities for Business Day and other payment date provisions]*

- (67) Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No][Not Applicable] *[If yes, specify dates on which such Talons mature]*
- (68) Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not applicable] *[Specify details]*
- (69) Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not applicable] *[Specify details]*
- (70) Variation to provisions of Condition 12 (*Events of Default*): [No]*[Specify details]*
- (71) Other conditions: *[Specify]*

## OPERATIONAL INFORMATION

- (72) ISIN: [•]
- (73) Common Code: [•]
- (74) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not applicable] *[Specify details]*  
[Euroclear Finland]  
[Euroclear Sweden]
- (75) Delivery: [Delivery free of payment.] [Delivery versus payment.]

## PART B – OTHER INFORMATION

### LISTING

- (i) Listing: [Irish Stock Exchange (Euronext Dublin) ("**Euronext Dublin**") [None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on [Euronext Dublin on its Official List and trading on the Regulated Market] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) to [Euronext Dublin for the Notes to be listed on its Official List and trading on its Regulated Market] with effect from [•].]  
[Not applicable.]
- (iii) Secondary market: *[Specify if Dealer will provide a secondary market]*

## **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in [*Subscription and Sale and Selling Restrictions*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in [the Base Prospectus and] these Final Terms. [[*Insert relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

The directors of the Issuer have taken all reasonable care to ensure that the facts stated in the Base Prospectus and these Final Terms are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the directors accept responsibility accordingly.]

## FORM OF APPLICABLE PRICING SUPPLEMENT

*Set out below is the form of Pricing Supplement which will be completed for each issue of Series of Notes.*

### Pricing Supplement dated [●]

[MEMEL CAPITAL PCC (THE "COMPANY") ACTING IN RESPECT OF [●]  
PC]/[ALPHABETA ACCESS PRODUCTS LTD]

LEGAL ENTITY IDENTIFIER (LEI): [[Memel:  
635400NB6CRZGWRNRQ75]/[Alphabeta: 635400IVGSQEAHVLPB96]]

(THE "ISSUER")

Issue of [AGGREGATE NOMINAL AMOUNT OF SERIES] [TITLE OF NOTES]  
under the  
Secured and Unsecured Notes Programme

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") contained in the Principal Trust Deed dated [●]. In addition, "US\$", "USD" or "\$" refer to the lawful currency of the United States of America, being US Dollars. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus dated 1 March 2022 (as amended and/or restated from time to time) [and the supplements to the Base Prospectus dated [●] and [●]]. The Base Prospectus is available for viewing at the website of Euronext Dublin (<https://live.euronext.com>) and at the website of the GSX ([www.gsx.gi](http://www.gsx.gi)) [[and] during normal business hours at [●]] [and copies may be obtained from [●]].

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>6</sup>

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS]** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would

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<sup>6</sup> To be included in an Issuance Document if the relevant Notes are not offered to retail investors.

not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>7</sup>

#### **OPTION 1 – MiFID II / UK MIFIR Target market legend for professional investors and ECPs**

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

**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]

#### **OPTION 2 – MiFID II / UK MIFIR Target market legend for retail investors, professional investors and ECPs**

**[MIFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients each as defined in MiFID II; **EITHER** [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice, portfolio management, non-advised sales and pure execution services - subject to the distributor's suitability and

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<sup>7</sup> To be included in a Issuance Document if the relevant Notes are not offered to retail investors.

appropriateness obligations under MiFID II, as applicable]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]]<sup>8</sup>

**[UK MIFIR product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**")/[COBS] and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); **EITHER** [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice, and portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable.<sup>9</sup>]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]*

The Notes issued by the Issuer will be subject to the Conditions and also to the following terms in relation to the Notes.

*[Italics and footnotes herein denote guidance for completing the Pricing Supplement and should be deleted prior to completing this Pricing Supplement.]*

*(Note: Headings are for ease of reference only.)*

- |     |                |  |
|-----|----------------|--|
| (1) | Issuer:        | [Memel Capital PCC acting in respect of [●] PC]/[Alphabeta Access Products Ltd.] (the " <b>Issuer</b> ") |
| (2) | Series Number: | [●] [The Notes are to be consolidated and form a single series with [●]]                                 |
| (3) | Trade Date:    | [●]  |
| (4) | Issue Date:    | [●]  |

<sup>8</sup> Delete as appropriate.

<sup>9</sup> Delete as appropriate.



- (5) Maturity Date: [●], unless redeemed earlier in accordance with the Conditions.
- (6) Maturity Date Extension (Condition 9(a)(ii)): [Applicable]/[Not Applicable]
- (7) Specified Currency: [US\$]/[specify]
- (8) Aggregate nominal amount of Notes to be issued as at the Issue Date: [●]
- (9) Issue Price (face value) per Note: [US\$][●]
- (10) Maximum number of Notes in the Series on the Issue Date: [●]
- (11) Purchase Price (amount payable at Issue Date) per Note: [●]
- (12) Dealer purchase price (at Issue Date): [Item 9 x item 10]
- (13) Number of Notes to be repurchased by the Issuer (at Issue Date) (Custodian Notes): [●]
- (14) Issuer repurchase price (purchase price of the Custodian Notes) (at Issue Date): [Item 12 x item 10]
- (15) Trading method: [Unit]/[Nominal Amount]/[specify]
- (16) Status of the Notes: [Secured]/[Unsecured] [limited recourse obligations of the Issuer].
- (17) (A) [If Secured]:
- Mortgaged Property: [[Swaps/]<sup>10</sup>Bonds/Notes] [specify]
- [i] Underlying Assets – [Not applicable]/[Applicable]
- Bonds/Notes: If applicable:
- The Underlying Assets shall initially comprise [●] in principal amount of [insert description of the underlying assets] identified below:
- Underlying Assets Obligor: [●]
- Address: [●]
- Country of incorporation: [●]
- Nature of business: [●]
- Regulated market on

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<sup>10</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.

	which admitted to trading:	[●]
	Asset:	[●]
	ISIN:	[●]
	Bloomberg Ticker:	[●]
	Coupon:	[●]
	Maturity:	[●]
	Currency:	[●]
	Status:	[●]
	Legal nature:	[●]
	Governing law:	[●]
	Clearing:	[●]
	Market on which admitted to trading:	[●]
	[Hyperlink to documentation relating to Underlying Assets:	[●]]
	Maturity:	[●]]
(ii) Cash Account:	[Not applicable] / [Applicable]	
	If applicable:	
	[Cash Account opened pursuant to the [Cash Account Agreement dated <i>[date]</i> ] / [Custody Agreement].]	
	[Initial Cash Account Amount: [zero/specify amount]]	
(iii) Other:	Issuer's rights, title and interest under the (i) Agency Agreement (to the extent that such rights relate to sums held to meet payments due in respect of the Notes); [(ii) Custody Agreement;] and (iii) any agreement by which the Issuer purchases the [Bonds/Notes], the Swap Agreement and any other Transaction Document to which the Issuer is a party or and as specified in the relevant Supplemental Trust Deed.	
(B) [If Unsecured]:		

Unsecured Series Property: [[Swaps/]<sup>11</sup>Bonds/Notes] [Specify]

(i) Underlying Assets – [Not applicable]/[Applicable]  
Bonds/Notes:

If applicable:

The Underlying Assets shall initially comprise [●] in principal amount of *[insert description of the underlying assets]* identified below:

Underlying Assets Obligor: [●]

Address: [●]

Country of incorporation: [●]

Nature of business: [●]

Regulated market on  
which admitted to trading: [●]

Asset: [●]

ISIN: [●]

Bloomberg Ticker: [●]

Coupon: [●]

Maturity: [●]

Currency: [●]

Status: [●]

Legal nature: [●]

Governing law: [●]

Clearing: [●]

Market on which  
admitted to trading: [●]

[Hyperlink to  
documentation relating  
to Underlying Assets: [●]]

(ii) Cash Account: [Not applicable] / [Applicable]

---

<sup>11</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.

If applicable:

[Cash Account opened pursuant to the [Cash Account Agreement dated [date]] / [Custody Agreement].]

[Initial Cash Account Amount: [zero/specify amount]]

(iii) Other:

Issuer's rights, title and interest under the (i) Agency Agreement (to the extent that such rights relate to sums held to meet payments due in respect of the Notes); [(ii) Custody Agreement;] and (iii) any agreement by which the Issuer purchases the [Bonds/Notes], and/or the Swap Agreement and any other Transaction Document to which the Issuer is a party or as otherwise specified in the Relevant Pricing Supplement.]

- (18) Income on the Notes Treated as U.S. Source Income: [Not applicable]/[Applicable]

*[Insert the following if applicable:*

Although the Notes will be issued by a non-U.S. entity, income on the Notes may be considered to arise in whole or in part from sources within the United States. Accordingly, as a matter of prudence, the Issuer will (and assumes intermediaries also will) treat all income as arising from sources within the United States and will make payments free of U.S. withholding (and backup withholding) taxes only if the holder supplies it with appropriate U.S. tax identification and certification forms, typically an IRS Form W-8BEN or W-8BEN-E.

For the purposes of Condition 11(a), a certification or other document will be treated as "required by law" if it actually is required by law or would be required by law if the income from the Notes were treated as arising from sources within the United States for U.S. federal income tax purposes.]

- (19) [U.S. Withholding on Dividend Equivalents:] [Not applicable] / [Applicable]
- (20) Double Withholding: [Not applicable] / [Applicable]
- (21) Custody Agreement: [Not applicable] / [Applicable]

If applicable:

[The custody agreement made between, among others, the Custodian and the Issuer on [date].]

- [The [Bonds/Notes] will be held in a securities account maintained by or on behalf of the Custodian in accordance with the terms of the Custody Agreement.]
- (22) [Reference Assets: [●]]<sup>12</sup>
- (23) Type of Notes: [Fixed Rate Notes]/[Floating Rate Notes]/[Equity Linked Notes]<sup>13</sup>/[Zero Coupon Notes]
- [Note: If Equity Linked Notes, specify [Single Share Notes]/[Share Basket Notes]/[Single Index Notes]/[Index Basket Notes]]<sup>14</sup>
- (24) Instructing Creditor (See Conditions 3(d), 9(b)(v), 12 and 13) : The Noteholders
- (25) Credit Event: Each of:
- [Bankruptcy]/[Obligation Acceleration]/[Obligation Default]/[Failure to Pay]/[Repudiation/Moratorium]/[Restructuring] in relation to the Underlying Assets
- [Each as defined in the ISDA Credit Definitions]
- (26) Order of Priority (as specified in the Supplemental Trust Deed date on or about the date of this Pricing Supplement, in connection with the issue of the Notes in connection with this Pricing Supplement (the "**Supplemental Trust Deed**")): [Counterparty Priority]/[Noteholder Priority]/[Other Priority]
- (27) Use of Proceeds: The Issuer will invest [●] of the issuance proceeds [in the purchase of the Underlying Assets and will enter into a Swap with the Swap Counterparty.]
- (28) Substitution of Underlying Assets: [Applicable]/[Not Applicable]

#### **PROVISIONS RELATING TO COUPON**

- (29) Fixed Rate Notes: [Applicable]/[Not Applicable]
- [If Fixed Rate Notes are "Applicable" include the following details, otherwise delete]:
- (i) Fixed Interest Rate: [Specify rate]

<sup>12</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.

<sup>13</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.

<sup>14</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.

- (ii) [Fixed Coupon Amount]: [Specify]
- (iii) [Broken Amount]: [Specify]
- (30) Floating Rate Notes: [Applicable]/[Not Applicable]
- [If Floating Rate Note are "Applicable" include the following details,, otherwise delete]*
- (i) [- Margin]: [Specify]
- (ii) [- Reference Rate]: [SOFR]/[SONIA]/[Specify]
- [If SONIA is specified as the Reference Rate include (iii) to (viI) below, otherwise delete]:*
- (iii) [-SONIA Compound with Lookback]: [Applicable]/[Not Applicable]
- (iv) [-Lookback Days]: [Specify]
- (v) [-SONIA Compound Observation Period Shift]: [Applicable]/[Not Applicable]
- (vi) [-Observational Shift Days]: [Specify]
- (vii) [Relevant Screen Page]: [Specify]
- (viii) [Screen Rate Determination]: [Applicable]/[Not Applicable]
- (ix) [-Interest Participation Rate]: [Specify]
- (x) [ISDA Determination]: [Applicable]/[Not Applicable]
- (31) Linear Interpolation: [Applicable]/[Not Applicable]
- (32) Interest Payment Date: [Specify]
- (33) Interest Commencement Date: [Issue Date]/[Specify]
- (34) Interest Determination Date: [Specify]
- (35) Day Count Fraction: [Specify]
- (36) Zero Coupon Note Provisions: [Applicable]/[Not Applicable]
- (37) Maximum Interest Rate: [Applicable]/[Not Applicable]
- (38) Minimum Interest Rate: [Applicable]/[Not Applicable]
- (39) Equity Linked Notes<sup>15</sup>: [Applicable]/[Not Applicable]
- (if Equity-Linked Notes are "Applicable", include the following details, otherwise delete:)*
- (i) Type of Equity-Linked Note: [Single Share Note]  
[Share Basket Note]  
[Single Index Note]

---

<sup>15</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.

[Index Basket Note]

(ii) *[if Single Share Note or Share Basket Note:*

(A) Underlying Share or Underlying Shares: *[insert details of Underlying Share or Shares]*

(B) Underlying Issuer or Issuers: *[insert details of Underlying Issuer or Issuers]*

(iii) *[if Single Index Note or Index Basket Note:*

*[insert details of Index or Indices]*

(A) Index or Indices:

*[insert details of Index Sponsor[s]]*

(B) Index Sponsor[s]:]

(iv) Weighting of each [Underlying Share/ Index] in the Basket: *[insert details, if a Share Basket Note or an Index Basket Note]*

(v) Exchange[s]: *[insert details of Exchange or, in relation to an Index, if applicable,: Multi-exchange Index]*

(vi) Related Exchange[s]: *[•]/[None specified]*

(vii) Coupon Amount: *[include details of the formula for calculating the applicable Coupon Amount]*

(viii) [Valuation Date[s]]/ [Observation Date[s]]/ [Determination Date[s]]: *[Choose applicable term and include details of the relevant Valuation Dates, Observation Dates or Determination Dates]*

(ix) Averaging Dates: *[Applicable/Not applicable]*

*[If "Applicable", specify consequence of Averaging Date Disruption: "Omission". "Postponement" or "Modified Postponement"]*

(x) Determination Time[s]: *[•]*

#### **PROVISIONS RELATING TO BENCHMARK DISCONTINUANCE OR PROHIBITION ON USE (Condition 8(d))**

(40) Alternative Pre-nominated Reference Rate: *[Specify]*

(41) Early Redemption Amount (Benchmark Trigger Event) – Fair Market Value Less Costs: *[Applicable]/[Not Applicable]*

(42) Early Redemption Amount (Benchmark Trigger Event) – Fair Market Value: *[Applicable]/[Not Applicable]*

#### **PROVISIONS RELATING TO REDEMPTION**

(43) Issuer has the right to redeem Notes in its sole discretion: *[Applicable]/[Not Applicable]*

(44) Redemption Amount: Unless previously redeemed, or purchased and cancelled in accordance with the Conditions, the Issuer shall redeem the

Notes on the Maturity Date at an amount equal to [ ]. *[Insert details for calculating final redemption amount and early redemption amount.]*

*[In relation to Equity-Linked Notes, please complete items [•] to [•] and specify the formula for calculating the Redemption Amount].*

- |      |  |  |
|------|--|--|
| (45) | Noteholder has the right to redeem the Notes prior to Maturity:  | [Applicable]/[Not Applicable]  |
| (46) | Purchase at Issuer's Option:                                     | [Applicable]/[Not Applicable]  |
| (47) | Redemption by Instalments:                                       | [Applicable]/[Not Applicable]  |
| (48) | Exchange of Notes for Underlying Assets:                         | [Applicable]/[Not Applicable]  |
| (49) | Exchange of Series:  | [Applicable]/[Not Applicable]  |
| (50) | Equity Linked Redemption <sup>16</sup> :                         | [Applicable]/[Not Applicable] <i>[Note: if Applicable, complete items 46 and 47]</i>   |
| (51) | [Index Adjustment Events] <sup>17</sup> :                        | [Index Modification]/[Index Cancellation]/[Index Disruption]   |
| (52) | [Additional Disruption Event] <sup>18</sup> :                    | [Change in Law]/[Hedging Disruption]/[Increased Cost of Hedging]/[Loss of Stock Borrow] <i>[Note: delete any not applicable]</i>               |
| (53) | Mandatory Early Redemption:                                      |  |
|      | (i) Underlying Disposal Event:                                   | The Notes will be mandatorily redeemed upon the occurrence of any event as set out in Condition 9(b)(i) [as amended by Special Condition [•]]. |
|      | (ii) Early Redemption of Underlying Assets:                      | Condition 9(b)(ii) [will]/[will not] apply [as amended by Special Condition [•]].  |
|      | (iii) Credit Event:  | Condition 9(b)(iii) [will]/[will not] apply [as amended by Special Condition [•]].   |
|      | [Credit Event Redemption Amount/Early Redemption Amount]:        | [The realised value of the Series Assets divided by the number of outstanding Notes other than the Custodian Notes.]                           |
| (54) | Termination of Swap Agreement at the Option of the Counterparty: | [Applicable/Not applicable]  |

## **PROVISIONS RELATING TO EQUITY-LINKED REDEMPTION<sup>19</sup>**

- |      |                            |                              |
|------|----------------------------|------------------------------|
| (55) | Equity- Linked Redemption: | [Applicable/ Not applicable] |
|------|----------------------------|------------------------------|

<sup>16</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.

<sup>17</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.

<sup>18</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.

<sup>19</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.



(Condition 8(n))		[If "Not applicable", then delete the remaining provision in this section]
(56)	(i) Type of Equity-Linked Redemption:	[Single Share Note] [Share Basket Note] [Single Index Note] [Index Basket Note] [Shares must be listed on an EEA regulated market or equivalent Third Country market]
	(ii) [if Single Share Note or Share Basket Note:	[insert details of Underlying Share or Shares]
	(A) Underlying Share or Underlying Shares:	
	(B) Underlying Issuer or Issuers:]	[insert details of Underlying Issuer or Issuers]
	[if Single Index Note or Index Basket Note:	[insert details of Index or Indices]
	(A) Index or Indices:	
	(B) Index Sponsor[s]:]	[insert details of Index Sponsor[s]]
	(iii) Weighting of each [Underlying Share/ Index] in the Basket:	[insert details, if a Share Basket Note or an Index Basket Note]
	(iv) Exchange[s]:	[insert details of Exchange or, in relation to an Index, if applicable,: Multi-exchange Index]
	(v) Related Exchange[s]:	[•]/[None specified]
	(vi) Redemption Amount:	[include details of the formula for calculating the applicable Redemption Amount]
	(vii) [Valuation Date[s]]/ [Observation Date[s]]/ [Determination Date[s]]:	[Choose applicable term and include details of the relevant Valuation Dates, Observation Dates or Determination Dates]
	(viii) Averaging Dates:	[Applicable/Not applicable] [If "Applicable", specify consequence of Averaging Date Disruption: "Omission". "Postponement" or "Modified Postponement"]
	(ix) Determination Time[s]:	[•]

- (x) Other special terms and [•]  
conditions:

## DISTRIBUTION

- (57) Dealer: Morgan Stanley & Co International plc.
- (58) Notes cleared through a clearing system: [Not Applicable]/[Specify clearing systems]
- (59) U.S. federal income tax consequences: [The Notes are [not] Specified Notes for the purposes of Section 871(m).] (*The Notes will not be Specified Notes if they do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis will be required*) [Based on market conditions on the date of this Pricing Supplement, the Issuer has made a preliminary determination that the Notes are [not] Specified Notes for purposes of Section 871(m). This is a preliminary determination only that is subject to change based on market conditions on the Issue Date. If the Issuer's final determination is different then it will give notice of such determination.]
- (60) Selling Restrictions: Regulation S

## RELATED AGREEMENTS AND SECURITY

- (61) Related Agreements: [Swap Agreement]
- (62) [Exposure to Reference Assets obtained by use of a swap: [Applicable]/[Not applicable]]<sup>20</sup>
- (63) [Swap Counterparty]/[Other Counterparty]: [Morgan Stanley & Co. International plc.]
- (64) Date of termination of Swap Agreement (pro rata, in the case of a purchase by the Issuer of some only of the Notes (as applicable)): [The date falling one Business Day prior to the Maturity Date or, if the Notes are redeemed early, one Business Day prior to the Early Redemption Date or, if the Notes are purchased by the Issuer pursuant to the Issuer's purchase option, one Business Day prior to the relevant purchase date]
- (65) Additional Security Documents: [Insert any additional Security Documents in addition to the Supplemental Trust Deed]

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<sup>20</sup> Not applicable in respect of listed Notes, unless issued under a Series Prospectus.

- (66) [If Related Agreement is a Swap Agreement, collateral under the Swap Agreement:] *[insert]*
- (67) Transaction Documents: *[As defined in the Conditions][and [specify any additional Transaction Documents]*

## AGENTS

- (68) Agents:
- (i) Calculation Agent: *[Specify name and address]*
  - (ii) Paying Agent: *[Specify name and address]*
  - [(iii) Additional Paying Agent(s):] *[Specify name and address]*
  - (iv) Registrar: *[Specify name and address]*
  - (v) Transfer Agent(s): *[Specify name and address]*
  - [(vi) Cash Account Bank (if applicable):] *[Not applicable]*  
*[The Bank of New York Mellon London Branch  
 One Canada Square  
 London E14 5AL]*
  - (vii) Note Custodian: *Morgan Stanley & Co. International plc  
 25 Cabot Square  
 Canary Wharf  
 London E14 4QA*
  - (viii) Custodian (if applicable): *[Not applicable]*  
*[The Bank of New York Mellon London Branch  
 One Canada Square  
 London E14 5AL]*

## OTHER TERMS

- (69) Implementation of Financial Transaction Tax: *[Applicable]/[Not applicable]*
- (70) Relevant Financial Centre: *[Applicable]/[Not Applicable]*
- (71) Form of Notes: *[Option 1 Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note [or definitive Notes in bearer form] [or definitive Notes in bearer form and/or registered note certificates]. The Permanent Global Note will be exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.]*  
***[NB: Bearer Notes should only be issued if they can be in registered form for U.S. Federal Income tax purposes]***  
*[Option 2 Registered Notes, no global notes:*

The Notes will be represented by Registered Note Certificates.]

[*Option 3 Registered Notes, with global notes* The Notes (other than those sold to Institutional Accredited Investors who are also Qualified Purchasers which shall be definitive form) will be represented by a Registered Global Note, deposited with a common depositary for Euroclear and for Clearstream, Luxembourg. The Registered Global Note will be exchangeable in whole but not in part for registered note certificates in definitive form, in limited circumstances.]

- (72) Specified Denominations: [specify minimum denomination] and integral multiples of [specify currency][amount] thereafter up to and including [specify maximum denomination for definitive Notes]. No notes in definitive form will be issued with a denomination above [specify maximum denomination for definitive Notes].
- (73) Business Day Convention: [Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[FRN Convention]/[Floating Rate Convention]/[Eurodollar Convention]/[No Adjustment/Unadjusted]
- (74) Business Days or other special provisions relating to Payment Dates: [Specify additional cities for Business Day and other payment date provisions]
- (75) Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No][Not Applicable]  
[If yes, specify dates on which such Talons mature]
- (76) Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not applicable] [Specify details]
- (77) Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not applicable] [Specify details]
- (78) Variation to provisions of Condition 12 (*Events of Default*): [No][Specify details]
- (79) Other conditions [Specify]

## OPERATIONAL INFORMATION

- (80) ISIN: [•]
- (81) Common Code: [•]
- (82) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not applicable] [*Specify details*] [Euroclear Finland] [Euroclear Sweden]
- (83) Delivery: [Delivery free of payment.] [Delivery versus payment.]

## PART B – OTHER INFORMATION

### LISTING

- (i) Listing: [Irish Stock Exchange (Euronext Dublin) ("**Euronext Dublin**") [Gibraltar Stock Exchange ("**GSX**") [*specify*] [None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on [Euronext Dublin on its Official List and trading on the Global Exchange Market] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) to [Euronext Dublin for the Notes to be listed on its Official List and trading on its Global Exchange Market] with effect from [•].]
- [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on [GSX on its Global Market] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) to [GSX for the Notes to be listed on its Global Market] with effect from [•].] [Not applicable.]
- (iii) Secondary market: [*Specify if Dealer will provide a secondary market*]

### [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in [*Subscription and Sale and Selling Restrictions*]", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in [the Base Prospectus and] this Pricing Supplement. [[*Insert relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

The directors of the Issuer have taken all reasonable care to ensure that the facts stated in the Base Prospectus and this Pricing Supplement are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the directors accept responsibility accordingly.]

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## **ISSUERS**

**Memel Capital PCC, acting in respect of  
its protected cells from time to time**

47 Esplanade  
St Helier  
Jersey JE1 0BD

**Alphabeta Access Products Ltd**

47 Esplanade  
St Helier  
Jersey JE1 0BD

## **NOTE TRUSTEE AND SECURITY TRUSTEE**

**BNY Mellon Corporate Trustee Services Limited**

One Canada Square  
London E14 5AL

## **PAYING AGENT, TRANSFER AGENT, CASH ACCOUNT BANK AND CUSTODIAN**

**The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL

## **REGISTRAR**

**The Bank of New York Mellon SA/NV, Dublin Branch**

Riverside Two  
Sir John Rogerson's Quay  
Dublin 2  
D02 KV60  
Ireland

## **NOTE CUSTODIAN, DEALER, ARRANGER, CALCULATION AGENT AND DISPOSAL AGENT**

**Morgan Stanley & Co. International plc**

25 Cabot Square  
London E14 4QA

## **LEGAL ADVISERS**

*To the Issuer  
as to Jersey law*

**Carey Olsen Jersey LLP**

47 Esplanade  
St Helier  
Jersey JE1 0BD

*To the Dealer  
as to English law*

**CMS Cameron McKenna Nabarro Olswang LLP**

Cannon Place  
78 Cannon Street  
London  
EC4N 6AF



*To the Note Trustee and Security Trustee  
as to English law*

**Ashurst LLP**  
London Fruit & Wool Exchange  
1 Duval Square  
London E1 6PW