

Series Memorandum

ARLO II Limited

(Incorporated with limited liability in the Cayman Islands)

Series CLN 2022-24

JPY 3,000,000,000 Secured Limited Recourse Credit-Linked Notes due 2026

This Series Memorandum is issued in conjunction with, and incorporates by reference the contents of the Programme Memorandum dated 23 February 2022, as supplemented from time to time (the “**Programme Memorandum**”) in relation to the Programme for the issue of Notes and the making of Alternative Investments (the “**Programme**”) of ARLO II Limited (the “**Issuer**”). Unless the context otherwise requires, terms defined in the Programme Memorandum have the same meanings when used in this Series Memorandum.

This Series Memorandum has been prepared for the purpose of giving information about the issue of the Series CLN 2022-24 JPY 3,000,000,000 Secured Limited Recourse Credit-Linked Notes due 2026 of the Issuer (the “**Notes**”).

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 Retail Investor**”). For these purposes, an EEA 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 MiFID II; (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2016/97/EC on insurance mediation (as amended)) (“**IMD**”), 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 Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended from time to time, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to EEA Retail Investors has been prepared and therefore offering or selling the Notes or otherwise making them available to any EEA Retail Investor may be unlawful under the PRIIPs Regulation.

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 Retail Investor**”). For these purposes, a UK 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 the Prospectus Regulation 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. The terms and conditions set out below should be read in conjunction with the Terms and Conditions set out in the Programme Memorandum.

This Series Memorandum has been approved by The Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) as listing particulars (the “**Listing Particulars**”). Application

has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purpose of MiFID II. No assurance can be given that such application will be granted. This Series Memorandum is provided only for the purpose of obtaining approval of admission of the Notes to the Official List of Euronext Dublin and admission to trading on the Global Exchange Market and shall not be used or distributed for any other purposes. This Series Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Notes.

The date of this Series Memorandum is 10 February 2023.

Arranger

BARCLAYS BANK PLC

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RISK FACTORS

The following is a description of certain aspects of the issue of the Notes of which any prospective purchaser of the Notes should be aware, but it is not intended to be exhaustive and any prospective purchaser of the Notes should also read the detailed information set out elsewhere in this document and the other documents relating to the Notes and take their own tax, legal and other relevant advice (which includes, without limitation, investment, financial, accounting, and/or regulatory advice) as to the advisability, structure and viability of their investment. In particular, the attention of prospective purchasers of the Notes is drawn to “Investor Suitability” and “Risk Factors” in the Programme Memorandum.

General

Credit Considerations

Prospective purchasers of Notes should take into account, when making a decision as to whether or not to invest in the Notes, that the timing of redemption of the Notes, the amount due to be paid and/or delivered upon redemption of the Notes and the timing and the amount of any interest and principal due on the Notes is dependent on the performance of the Charged Assets, all other Relevant Debt, and the Charged Agreement.

Risk of total loss of investment

The Notes are not principal-protected and, accordingly, Noteholders may lose their entire investment in the Notes. In addition, an investment in the Notes represents an investment in the creditworthiness of the Issuer (and Noteholders are hence exposed to the Issuer’s credit risk).

Security

There can be no assurance that the amount payable to the Noteholders on any early redemption of the Notes or upon enforcement of the security for the Notes will be equal to the Issue Price or the Outstanding Principal Amount of the Notes. Any shortfall in payments due to the Secured Creditors, including the Noteholders, will be borne in the inverse of the order of the Priority of Payments specified in Paragraph 4 of “Conditions of the Notes”, and any claims of the Noteholders remaining after a mandatory redemption of the Notes or a realisation of the security and application of the proceeds as aforesaid shall be extinguished. None of the Programme Parties or the obligors under the Collateral (other than the Issuer) has any obligation to Noteholders for payment of any amount owing by the Issuer in respect of the Notes.

Custody Arrangements

The Issuer and the Trustee have appointed the Custodian to hold the Charged Assets on their respective behalves in accordance with the Custody Agreement, and the Custodian has appointed the Sub-Custodian to hold the Charged Assets that comprise any bonds issued by the Government of Japan in the Alternative Clearing System in accordance with the Sub-Custody Arrangements. The Issuer has no direct contractual relationship with the Sub-Custodian, and the Custodian has not created security over its rights against the Sub-Custodian in favour of the Issuer. Accordingly, in the event that the Trustee enforces its security, it will have no direct rights against the Sub-Custodian or the Alternative Clearing System for delivery of the Charged Assets that comprise any bonds issued by the Government of Japan, but rather will be relying on the rights it has against the Custodian for such delivery.

In respect of any cash held by the Custodian on behalf of the Issuer in respect of the Notes, if the relevant overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority reaches or falls below zero, the Custodian (or its affiliates) shall be entitled to levy the Custodian Charge in respect of the Issuer's Cash Account held directly or indirectly with the Custodian. It is anticipated that, prior to any Extension Calculation Period, the Swap Counterparty will, pursuant to the Charged Agreement, pay to, or to the order of, the Issuer an amount equal to any such Custodian Charge for settlement thereof. However, if such Custodian Charge applies during the Extension Calculation Period, the Swap Counterparty will not be obliged to make any such payments and the Custodian shall be entitled to deduct amounts from the Issuer's Cash Account to pay such Custodian Charge. Any such deduction would reduce the amounts available to make payments to the Noteholders.

Prospective purchasers of the Notes should undertake their own due diligence as to the impact of these custodial arrangements upon the enforceability of the security interests purported to be created by the Pledge Agreement (as defined below).

Where any Charged Assets are held outside of the United Kingdom (or, if different, outside of the jurisdiction in which the Issuer is established), different settlement, legal and regulatory requirements and different practices relating to the separate identification of those securities may apply which are different to those in the United Kingdom or the Issuer's jurisdiction (as the case may be). Accounts that contain Charged Assets may be subject to the law of other jurisdictions, including those outside of the United Kingdom and the EEA, and the Issuer's rights may be different from those that would apply were English law to be applicable.

Cash held by the Custodian

Noteholders should note that any cash held by the Custodian, whether as Charged Assets or proceeds thereof, Eligible Credit Support or otherwise, will be credited to the Cash Account and held by the Custodian as banker and not as trustee and as a result such money will not be held in accordance with the UK Financial Conduct Authority's client money rules.

This means that any such money may be used by the Custodian in the course of its own business and the Issuer will rank only as a general creditor of the Custodian as regards such money. Accordingly, insofar as the Custodian holds any such cash, any Noteholder will be exposed to the credit risk of the Custodian and, if the security for the Notes is enforced, the balance of the Cash Account will only be available to satisfy the liabilities of the Issuer to the extent that such amount is available to the Issuer as a general creditor of the Custodian.

Expenses

All payments of anticipated costs and expenses of the Issuer in connection with the issue of Notes have been, or will be, met by the Arranger pursuant to the Programme Expenses Letter and the Series Expenses Letter. Where payments have been made by the Arranger in respect of such expenses, they do not constitute any part of the Collateral or any other form of credit support by the Swap Counterparty and are not available to pay any amounts due under the Notes. To the extent that any unanticipated or extraordinary costs and expenses of the Issuer which are payable by the Issuer arise in connection with the Notes or otherwise and such costs and expenses are not paid by the Arranger (or are not otherwise payable by the Arranger pursuant to the Programme Expenses Letter and the Series Expenses Letter), the Issuer may have no available funds to pay such costs and expenses and there is a risk that it might become insolvent as a result thereof.

Migration

In respect of any rating assigned to a Reference Entity or Reference Obligation (each as defined in the Charged Agreement), rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that the financial condition of the Reference Entity or other obligor in respect of a Reference Obligation may be better or worse than its rating indicates.

Secondary Market Trading

Under normal market conditions, Barclays Bank PLC or its affiliates may purchase the Notes in the secondary market and, upon request by a Noteholder, may, within a reasonable time, provide secondary market prices during the term of the Notes. Such prices may be subject to change by the time of any such purchase. The minimum transaction size for a secondary market purchase is JPY 100,000,000. The Notes cannot be partially sold.

Nature of the Investment

Leverage

The Notes may be leveraged if, as of the Issue Date, the principal amount of the Notes is less than the Note Currency Equivalent of the market value corresponding to the principal amount of the Charged Assets (“**Charged Asset Market Value Amount**”). In such cases, the difference between the Charged Asset Market Value Amount and the principal amount of the Notes is the additional exposure that is provided for and incorporated into the terms of the Charged Agreement.

Leverage increases the Noteholder’s exposure to the underlying assets referenced by the Notes and amplifies the Noteholder’s losses and/or gains. In particular, upon the occurrence of an Early Redemption Event, the amount payable with respect to each Note would be based on such Note’s *pro rata* share of an amount equal to (i) the market value of the JGB Charged Assets with a principal amount equal to the Reference Amount as determined by the Determination Agent and/or the Calculation Agent under the Charged Agreement, minus (ii) Costs (which reflects, amongst other things, the termination costs of in respect of the transactions under the Charged Agreement), and, to the extent an Extension Calculation Period is in effect, minus (iii) the Extension Calculation Period Amount. The Costs would be expected to be materially higher than for a non-leveraged Note given the additional exposure provided for under the Charged Agreement. Therefore, holders of Notes may receive less than their original investment and this may be materially less than the amount that such holders would otherwise have received for a non-leveraged Note.

The Notes as Credit-Linked Notes

Exposure to the Reference Entity and Reference Obligation

The Notes do not represent a claim against the Reference Entity and, in the event of any loss, the Noteholders will not have recourse under the Notes to the Reference Entity. However, the Noteholders will be exposed to the credit risk of the Reference Entity and any Reference Obligation (as defined in the Charged Agreement).

Credit Event Risk

The likelihood of Credit Events occurring depends on a number of factors. The likelihood of a Credit Event (as defined in the Charged Agreement) occurring in respect of the Reference Entity generally fluctuates with, among other things, the financial condition of the Reference Entity,

together with general economic conditions, the conditions of certain financial markets, political events, developments or trends in particular industries and changes in prevailing market rates. Noteholders should therefore conduct independent investigation and analysis of the Reference Entity in order to evaluate the merits and risks of an investment in the Note.

Credit Observation Period Risk

Credit Events occurring on or after the Credit Event Backstop Date (in respect of a Credit Event) (which may fall prior to the Trade Date) may trigger losses on the Notes. Noteholders may suffer a loss of some or all of their investment in the Note in respect of one or more Credit Events that occur and which may have been announced on or after the Credit Event Backstop Date (which may fall prior to the Trade Date, because of the 60 calendar day look-back period and the ability to trade until the applicable auction cut-off date). Neither the Issuer, the Swap Counterparty, the Calculation Agent (under the CDS), Determination Agent nor any of their respective affiliates has any responsibility to avoid or mitigate the effects of a Credit Event that is deemed to have taken place on or after the Credit Event Backstop Date (which may fall prior to the Trade Date). Irrespective of what may or may not be known within Barclays Bank PLC (or its affiliates), neither Barclays Bank PLC nor its affiliates are obliged to disclose to a Noteholder or to take into consideration any information, fact or matter including in relation to any such Credit Event.

Risk of Loss

The Noteholders bear the risk of loss in relation to the Reference Entity and any Reference Obligation and in relation to the Charged Assets. Noteholders should note that such risk is borne from the Credit Event Backstop Date (in respect of a Credit Event) and from 9 December 2022 in the case of an Early Redemption Event, notwithstanding that each date precedes, or may precede, the Issue Date of the Notes. Noteholders should also note that such risk is borne up to and including the Scheduled Termination Date. If a Credit Event or an Early Redemption Event (each as defined in the Charged Agreement) occurs, the Notes may be redeemed (in the manner more particularly described in the Notes) and the Issuer will (subject as provided herein) pay to the Noteholders the Adjusted Face Amount (as defined herein) in respect of each Note (in the case of a Credit Event) and pay to the Noteholders the Note Redemption Amount in respect of each Note (in the case of an Early Redemption Event). The Adjusted Face Amount and/or Note Redemption Amount may be substantially less than par, or even zero, and therefore the Noteholders may receive on such redemption less than their initial investment. In addition, the amount of interest payments will be adversely affected.

If (i) an Event Determination Date occurs, interest due on the Notes will cease to accrue on the Outstanding Principal Amount of the Notes from and including such Event Determination Date (or if there has been no Interest Payment Date, interest due on the relevant principal amount of the Notes will cease to accrue from and including the Interest Commencement Date), and (ii) no Event Determination Date has occurred on or prior to the Exercise Date and a Note Redemption Event or an Automatic Issuer Option Exercise Event occurs on or prior to such Exercise Date, interest due on the Notes will cease to accrue from the Interest Payment Date immediately preceding the related Note Event Notice Delivery Date or Automatic Issuer Option Exercise Event, as applicable (or if there has been no Interest Payment Date, interest due on the Notes will cease to accrue from and including the Interest Commencement Date), and (iii) no Event Determination Date has occurred on or prior to the Early Redemption Date and an Extraordinary Event occurs on or prior to such Early Redemption Date, interest due on the Notes will cease to accrue from the Interest Payment Date immediately preceding the occurrence of such Extraordinary Event (or if there has been no Interest Payment Date, interest due on the Notes will cease to accrue from and including the Interest Commencement Date).

If an Automatic Issuer Option Exercise Event occurs, the Notes will be redeemed in full (and not in part) and the Issuer will pay to the Noteholders the Issuer Optional Redemption Amount in

respect of each Note on the relevant Issuer Optional Redemption Date. There is no assurance that the Issuer Optional Redemption Amount in respect of each Note will be at least equal to such Note's pro rata portion of the Outstanding Principal Amount of the Notes.

Risks relating to the Credit Derivatives Definitions, Auctions and the Credit Derivatives Determinations Committees

Credit Derivatives Definitions

Certain terms used in the Notes are defined by reference to the Charged Agreement, which in turn incorporates by reference (as modified in the Charged Agreement) the definitions and provisions of the 2014 ISDA Credit Derivatives Definitions (the "**Credit Derivatives Definitions**") as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"). However, the Conditions of the Notes do not directly incorporate by reference the provisions of the Credit Derivatives Definitions and there may be differences between the definitions used in the Notes and the Credit Derivatives Definitions. Further, the Charged Agreement contains modifications to the Credit Derivatives Definitions for use in the Charged Agreement. Consequently, investing in the Notes is not exactly equivalent to investing in a credit default swap that incorporates the Credit Derivatives Definitions as published by ISDA.

While ISDA has published the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the Credit Derivatives Definitions and the terms applied to credit derivatives, including the Notes, are subject to interpretation and further evolution. Past events have shown that the views of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution in the market, interpretation of the Notes may differ in the future because of future market standards. Such a result may have a negative impact on the Notes.

There can be no assurance that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Issuer or Noteholders. Future amendments or supplements to the terms applicable to credit derivatives generally will only apply to the Notes that have already been issued if the Issuer, the Swap Counterparty and the Trustee (with the consent of Noteholders, if applicable) agree to amend the Notes to incorporate such amendments or supplements and other conditions to amending the Notes have been met.

Auction Risk

Losses caused by a Credit Event may be determined on the basis of a market auction conducted in accordance with the 2014 ISDA Credit Derivative Definitions and the corresponding auction rules. Credit losses determined on the basis of a market auction may be greater than the losses which would have been determined in the absence of such auction. In particular, the auction process may, in theory, be affected by technical factors or operational errors or be the subject of actual or attempted manipulation. Neither the Issuer, the Swap Counterparty, the Calculation Agent (under the CDS), the Determination Agent nor any of their respective affiliates has any responsibility for verifying that any auction price is reflective of current market values, for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. If Barclays Bank PLC participates in any auction for the purposes of such an auction, then it will do so without regard to Noteholders. Such participation may have a material adverse effect on the outcome of the relevant auction.

Credit Derivatives Determinations Committees

Credit Derivatives Determinations Committees were originally established pursuant to the March 2009 Supplement (later incorporated in the July 2009 Supplement) to the 2003 ISDA Credit

Derivatives Definitions published by ISDA to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. Determinations Committees are regional committees composed of significant participants in the credit default swap market in the applicable region. Determinations Committees are typically composed of both the largest dealers in credit default swaps as well as non-dealers, but dealers typically significantly outnumber non-dealers. The Credit Derivatives Determinations Committees continue to perform this role under the Credit Derivatives Definitions. As at the date of this Series Memorandum, Barclays Bank PLC is a member of each of the Credit Derivatives Determinations Committees. In such capacity, it need not have regard to the interests of any Noteholders when taking any action or casting any vote.

Whether or not a Credit Event or Succession Date has occurred, and certain decisions relating thereto, may be dependent on determinations made by the relevant Credit Derivatives Determinations Committee.

The procedures of the Determinations Committees are set forth in the DC Rules (as such term is incorporated into the Charged Agreement). The DC Rules may be amended by a Determinations Committee in accordance with the DC Rules. None of the DC Secretary, the institutions serving on the Determinations Committees or any external reviewers owes any duty to any Noteholder in such capacity, and any Noteholder may be prevented from pursuing claims with respect to actions taken by such persons under the DC Rules. Institutions serving on a Determinations Committee may base their votes on information that is not available to an Noteholder, and have no duty to research, investigate, supplement or verify the accuracy of information on which a determination is based. In addition, a Determinations Committee is not obligated to follow previous determinations or to apply principles of interpretation such as those that might guide a court in interpreting contractual provisions. Therefore, a Determinations Committee could reach a different determination on a similar set of facts.

In making any determination in its capacity as Swap Counterparty or as the "Calculation Agent" under the Charged Agreement, the Swap Counterparty may have regard to (and, in certain circumstances, is bound by) decisions made by the relevant Credit Derivatives Determinations Committee. Where the Swap Counterparty is a member of any such committee, it need not have regard to the interests of Noteholders when taking any action or casting any vote.

Further information about the Credit Derivatives Determinations Committees may be found at www.cdsdeterminationscommittees.org.

Exposure to default or early termination under Charged Agreement

Upon the occurrence of an Event of Default or a Termination Event (each as defined in the Charged Agreement) under the Charged Agreement or other Extraordinary Event, the Notes shall fall due for early redemption by applying the net proceeds of enforcement of the security in accordance with the Conditions, which may have a market value substantially less than par or even zero, and therefore in such circumstances, the Noteholders may receive on redemption an amount which is equal to less than the Outstanding Principal Amount of the Notes.

No Obligation to Make Good on Losses

Neither the Issuer nor any of the Programme Parties guarantees the performance of or otherwise stands behind the Reference Entity or any Reference Obligation, the issuer or obligor of the Charged Assets or the Charged Assets and is not obligated to make good on any losses suffered by the Noteholders as a result of Credit Events with respect to the Reference Entity or any Reference Obligation or as a result of Note Redemption Events with respect to the issuer or obligor of the Charged Assets or the Charged Assets.

Limited Recourse

All payments to be made by the Issuer in respect of the Notes will only be due and payable from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of the Collateral in respect of such Notes. To the extent that such sums are less than the amount which the holders of the Notes expected to receive (the difference being referred to herein as a “**shortfall**”), such shortfall will be borne, following enforcement of the security for the Notes, in the inverse of the order of priorities on enforcement specified in Condition 4(d). Each holder of Notes by subscribing for or purchasing such Notes will be deemed to accept and acknowledge that it is fully aware that: (i) the holders of the Notes shall look solely to the sums referred to in the first sentence of this section, as applied in accordance with the order of priorities referred to in the second sentence of this section (the “**Relevant Sums**”), for payments to be made by the Issuer in respect of such Notes; (ii) the obligations of the Issuer to make payments in respect of such Notes will be limited to the Relevant Sums and the holders of such Notes shall have no further recourse to the Issuer (or any of its rights, assets or properties), the Swap Counterparty or any other Programme Party or person and, without limiting the generality of the foregoing, any right of the holders of such Notes to claim payment of any amount exceeding the Relevant Sums shall be automatically extinguished; and (iii) the holders of such Notes shall not be entitled to petition for the winding up of the Issuer as a consequence of any such shortfall or otherwise.

No Guarantee of Performance

None of the Programme Parties is obligated to make payments on the Notes, and none of them guarantees the value of the Notes or is obliged to make good on any losses suffered as a result of an investment in the Notes. Noteholders must rely solely on the relevant Collateral for payment under the Notes. There can be no assurance that amounts received by the Issuer from the Collateral will be sufficient to pay all amounts when due if any at all. Neither the Issuer nor any of the Programme Parties will have any liability to the holders of any Notes as to the amount, or value of, or any decrease in the value of, the relevant Collateral.

Synthetic Exposure

The Issuer does not own any of the Reference Obligation(s) and the Swap Counterparty is not obligated to own any Reference Obligation or have any credit exposure to the Reference Entity. The Issuer and the Swap Counterparty need not suffer any loss in order for a Credit Event to exist. The Notes do not represent a claim against the Reference Entity and, in the event of any loss, Noteholders do not have recourse under the Notes to the Reference Entity.

Swap Counterparty Discretion

The Swap Counterparty will be entitled to determine in its sole and absolute discretion when and whether to deliver a Credit Event Notice and Notice of Publicly Available Information, and any delay or forbearance in delivering any such notices following the occurrence of any event or condition permitting the same is not and shall not be construed as a waiver of any such right and shall not affect the right of the Swap Counterparty to give any such notice at any time thereafter.

No Credit Enhancement

Neither Barclays Bank PLC nor any of its affiliates is under any legal, regulatory or moral obligation to purchase any Charged Assets or support any losses suffered by the Issuer or Noteholders. Neither Barclays Bank PLC nor any of its affiliates guarantees or stands behind the Issuer or the obligations of the Issuer under the Notes, and will not make good and is under no obligation to make good any losses under the Charged Assets or under the Charged Agreement or any other agreements that the Issuer might enter into with any third parties.

Independent Review and Advice

Each prospective purchaser of the Notes is responsible for its own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the issuer or obligor of the Charged Assets, the Charged Assets, the Reference Entity, the Reference Obligation or any obligations of the Reference Entity, as well as the risks in respect of the Notes and their terms, including, without limitation, any tax, accounting, credit, legal and regulatory risks.

A prospective purchaser of the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in such Notes including any credit risk associated with the issuer or obligor of the Charged Assets, the Charged Assets, the Reference Entity and the Issuer. None of the Issuer or any of the Programme Parties will have any responsibility or duty to make any such investigations, to keep any such matters under review or to provide the prospective purchasers of the Notes with any information in relation to such matters or to advise as to the attendant risks. See also the section entitled “Investor Suitability” in the Programme Memorandum.

Although the Swap Counterparty and/or its affiliates may have entered into and may from time to time enter into business transactions with the issuer of the Charged Assets or the Reference Entity, the Swap Counterparty and/or its affiliates at any time may or may not hold obligations of or have any business relationship with the issuer of the Charged Assets or any particular Reference Entity.

No Representations

None of the Issuer, any of the Programme Parties or any of their respective affiliates will have made any investigation of, or makes any representation or warranty, express or implied, as to the issuer of the Charged Assets or the Reference Entity (including, without limitation, with regard to their respective financial condition or creditworthiness) or any Charged Assets or any Reference Obligation or any obligation of the Reference Entity or any information contained in any documents provided by the issuer of the Charged Assets or by the Reference Entity, respectively, to any of them or to any other person or filed by the issuer of the Charged Assets or by the Reference Entity with any exchange or with any governmental entity regulating the offer and sale of securities.

In particular, none of the Issuer, any of the Programme Parties or any of their respective affiliates will have made any investigation of, or makes any representation or warranty, express or implied, as to:

- (1) the existence or financial or other condition of the issuer of the Charged Assets or the Reference Entity; or
- (2) whether the relevant Obligations, the Reference Obligations and/or the Original Non-Standard Reference Obligation (each as defined in the Charged Agreement), or the Charged Assets, constitute legal, valid and binding obligations of the Reference Entity or the issuer or obligor of the Charged Assets, respectively.

Conflicts of Interest

The Issuer, the Programme Parties and any of their respective affiliates may deal in any obligation, including the Charged Assets, other obligations of the issuer of the Charged Assets and any obligation of the Reference Entity or its affiliates, and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment

banking or other business with the issuer of the Charged Assets and the Reference Entity, its affiliates, any other person or entity having obligations relating to the issuer of the Charged Assets, the Reference Entity or its affiliates and may act with respect to such business in the same manner as if any Notes issued hereunder did not exist, regardless of whether any such action might have an adverse effect (including, without limitation, any action which might give rise to an event of default or a Credit Event) on the issuer of the Charged Assets or the Reference Entity and/or its affiliates. Various potential and actual conflicts of interest may arise between the interests of the Noteholders, on the one hand, and some or all of the Issuer, the Programme Parties and any of their respective affiliates, on the other hand. None of the Issuer, the Programme Parties nor any of their respective affiliates is required to resolve such conflicts of interest in favour of the Noteholders and may pursue actions and take such steps that it deems necessary or appropriate to protect its interests without regard to the consequences for the Noteholders. In particular, the interests of the Swap Counterparty may be adverse to those of the Noteholders. The terms of the Notes and the Charged Agreement provide the Swap Counterparty with certain discretions which it may exercise without any regard for the interests of the Noteholders.

Provision of Information

The Issuer, the Programme Parties and any of their respective affiliates, whether by virtue of the types of relationships described herein or otherwise, may possess information in relation to the issuer of the Charged Assets, the Reference Entity, any Reference Obligation, any obligation of the Reference Entity, any affiliate of the Reference Entity or any guarantor that is or may be material in the context of these Notes and that may or may not be publicly available or known. The Notes will not create any obligation on the part of any of the Issuer, the Programme Parties and any of their respective affiliates to disclose any such relationship or information (whether or not confidential). None of the Issuer, the Programme Parties or any of their respective affiliates makes any representation as to the credit quality of the Charged Assets, the issuer of the Charged Assets, the Reference Entity, the Reference Obligation, the Original Non-Standard Reference Obligation or any obligation of the Reference Entity. The information contained herein in relation to the JGB Charged Assets, the Reference Entity and the Original Non-Standard Reference Obligation is contained in the sections entitled "Description of the Charged Assets" and "Description of the Reference Entity" and in Annex 1 (*Form of Charged Agreement*), respectively, and is summary only and has been reproduced from public sources and none of the Programme Parties or any of their respective affiliates or any other person has verified, and the Issuer has only made very limited enquiries in relation to, the information relating to the JGB Charged Assets, the Reference Entity and the Original Non-Standard Reference Obligation contained herein or in any of the documents made available for inspection by the Noteholders and, save as otherwise set out in the section headed "Responsibility Statement", none of them accepts any responsibility for the accuracy or completeness of such information and prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the same.

This Series Memorandum does not provide any information on the creditworthiness of, or likelihood of the occurrence of a Credit Event with respect to, the Reference Entity. As the occurrence of a Credit Event may result in a loss to purchasers of the Notes, each prospective investor is advised to make its own assessment of the likelihood of the occurrence of a Credit Event in respect of the Reference Entity.

Legal Opinions

Whilst legal opinions relating to the issue of the Notes will be obtained by the Arranger, the Dealer and the Trustee with respect to English law and Cayman Islands law, it is not intended that legal opinions be obtained with respect to the laws governing the JGB Charged Assets or the Pledge

Agreement or any Reference Obligation or other obligation of the Reference Entity or the laws of the country of incorporation of the Reference Entity in the context of the validity, enforceability or binding nature of the relevant Reference Obligation or other obligation of the Reference Entity as against the Reference Entity.

No Fiduciary Role

None of the Issuer, any of the Programme Parties or any of their respective affiliates is acting as an investment adviser, and none of them (other than the Trustee) assumes any fiduciary obligation, to any purchaser of Notes.

None of the Issuer or any of the Programme Parties assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of the issuer or obligor of any Charged Assets or the terms thereof or of the Reference Entity or any Reference Obligation or any obligation of a Reference Entity or of any Swap Counterparty or the terms of the Charged Agreement.

None of such parties makes any representation or warranty, express or implied, as to any of such matters nor as to the legal, valid and binding effect of the terms of the Charged Assets or of the Charged Agreement.

Third Party Information

The Issuer has only made very limited enquiries with regards to, and none of the Programme Parties has verified or (save as otherwise set out in the section headed "Responsibility Statement") accepts any responsibility for, the accuracy and completeness of the Third Party Information (as defined below). Prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the Third Party Information.

Bank Recovery and Resolution Regimes

Resolution and recovery regimes, including those specified in EU member states, the United States and elsewhere, may apply to the transaction parties and their affiliates. Accordingly, 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, and the Notes may be the subject of an early redemption and any payment of redemption proceeds to Noteholders may be delayed.

THE RISK FACTORS ABOVE DO NOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT CONSIDERATIONS IN CONNECTION WITH A PURCHASE OF THE NOTES, INCLUDING ANY APPLICABLE LEGAL, TAX AND ACCOUNTING CONSIDERATIONS.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Series Memorandum. In relation to the information under the heading “Information concerning the Swap Counterparty” and in Paragraph 9 under the heading “General Information” (the “**Barclays Information**”), Barclays Bank PLC takes responsibility therefor; in relation to the information under the heading “Information concerning The Bank of New York Mellon, London Branch” (the “**BNY Mellon Information**”), The Bank of New York Mellon, London Branch takes responsibility therefor; and in relation to the information under the heading “Information concerning BNY Mellon Corporate Trustee Services Limited” (the “**BNY Trustee Information**”), BNY Mellon Corporate Trustee Services Limited takes responsibility therefor.

The information regarding the JGB Charged Assets under the heading “Description of the Charged Assets” and elsewhere in this Series Memorandum has been accurately reproduced from the website of the Ministry of Finance Japan and Bloomberg Professional Services and, as far as the Issuer is aware and is able to ascertain from information published by the issuer of the JGB Charged Assets, no facts have been omitted which would render the reproduced information inaccurate or misleading. The information regarding the Reference Entity under the heading “Description of the Reference Entity” and elsewhere in this Series Memorandum has been accurately reproduced from publicly available information, as far as the Issuer is aware and is able to ascertain from such source, no facts have been omitted which would render such information inaccurate or misleading. The information in relation to the Reference Entity and the Original Non-Standard Reference Obligation contained in the Form of Confirmation of Credit Default Swap set out in Annex 2 hereto has been accurately reproduced from the CDS Confirmation and, as far as the Issuer is aware and is able to ascertain from the sources referenced in the immediately preceding sentence above, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer has not conducted extensive due diligence on the Barclays Information, the BNY Mellon Information, the BNY Trustee Information and the information regarding the JGB Charged Assets, the Reference Entity and the Original Non-Standard Reference Obligation in this Series Memorandum (together, the “**Third Party Information**”) or made any enquiries as to its own possession of non-publicly available information. Barclays Bank PLC has not (save in respect of the Barclays Information) conducted any due diligence on the Third Party Information, or made any enquiries as to its own possession of non-publicly available information.

Having taken all reasonable care to ensure that such is the case, to the best of the knowledge of the Issuer (and in the case of (i) the Barclays Information, Barclays Bank PLC, (ii) the BNY Mellon Information, The Bank of New York Mellon, London Branch and (iii) the BNY Trustee Information, BNY Mellon Corporate Trustee Services Limited) (each of which has taken all reasonable care to ensure that such is the case), the information contained in this Series Memorandum for which it takes responsibility is in accordance with the facts and contains no omission likely to affect its import. The delivery of this Series Memorandum at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

No person has been authorised to give any information or to make any representation other than those contained in this Series Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or the Trustee. Neither the delivery of this Series Memorandum 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.

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

The distribution of this Series Memorandum and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Series Memorandum comes are required by the Issuer, the Trustee and the Arranger to inform themselves about and to observe any such restriction.

This Series Memorandum contains summaries of certain provisions of, or extracts from, the Constituting Instrument executed in relation to the Notes and the documents and agreements referred therein. Such summaries and extracts are subject to, and are qualified in their entirety by, the actual provisions of such documents and agreements, copies of which are annexed hereto or available for inspection at the principal office of the Trustee and the specified office of the Principal Paying Agent. Holders of the Notes to which this Series Memorandum relates, and any other person into whose possession this Series Memorandum comes, will be deemed to have notice of all provisions of the documents executed in relation to the Notes which may be relevant to a decision to acquire, hold or dispose of such Notes.

Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin (the “**Euronext Dublin**”) for the Notes be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purpose of MiFID II. No assurance can be given that such application will be granted.

The Notes will not be rated.

This Series Memorandum contains references to credit ratings granted by (i) Standard & Poor’s Credit Market Services Europe Limited; (ii) Standard & Poor’s, a Division of The McGraw-Hill Companies, Inc.; (iii) Moody’s Investors Service, Inc.; (iv) Moody’s Investors Service Ltd. and (v) Fitch Ratings Limited. Each of Standard & Poor’s Credit Market Services Europe Limited, Moody’s Investors Service Ltd. and Fitch Ratings Limited is established in the European Community and is registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. Each of Standard & Poor’s, a Division of The McGraw-Hill Companies, Inc. and Moody’s Investors Service, Inc. is not established in the European Community and is not registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY STATE SECURITIES LAWS, AND THE ISSUER IS NOT AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**1940 ACT**”). THE NOTES MAY NOT BE OFFERED, SOLD, DELIVERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) OR TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS (AS DEFINED IN RULE 4.7 OF THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION).

Each purchaser or holder of Notes will be deemed to represent that it is not, and for so long as it holds any Notes will not be, an employee benefit plan subject to the fiduciary responsibility provisions of ERISA, a plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended, a person or entity whose assets include the assets of any such employee benefit plan or plan by reason of 29 C.F.R. Section 2510.3-101 or otherwise, or any other employee benefit plan without regard to the federal, state, local or foreign law pursuant to which the plan is organised or administered, and such purchaser or holder is not using the assets of any such plan to acquire the Notes.

The language of this Series Memorandum 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.

DOCUMENTS INCORPORATED BY REFERENCE

The Programme Memorandum is incorporated by reference in, and shall be taken to form part of, this Series Memorandum.

This document must be read and construed in conjunction with the Programme Memorandum and shall be deemed to modify and supersede the contents of the Programme Memorandum to the extent that a statement contained herein is inconsistent with such contents.

NOTICE TO INVESTORS FROM BARCLAYS BANK PLC

Neither Barclays Bank PLC nor any of its affiliates is under any legal, regulatory or moral obligation to purchase the Notes or the Charged Assets (as defined herein) or support any losses suffered by the Issuer or the purchasers of any Notes. Neither Barclays Bank PLC nor its affiliates guarantees or stands behind the Issuer or the Issuer's obligations under the Notes and will not make good and is under no obligation to make good any losses under the Charged Assets or the Notes or under any agreements that the Issuer might enter into with any third parties. The Issuer and each person into whose possession this document comes will be deemed to have acknowledged and agreed to the foregoing.

INVESTOR REPRESENTATIONS

By purchasing any Notes each Noteholder shall be deemed to represent, warrant and covenant on the date it agrees to purchase such Notes and on the date of such purchase and on one Business Day immediately following the date of such purchase to each of the Issuer and the Programme Parties as follows:

1. **Purchase as principal.** The Noteholder is purchasing the Notes as principal for its own account and not as agent or trustee for any other party, with no view to the re-sale thereof to one or more third parties.
2. **Organization and Authority.** The Noteholder is duly organised and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing. The Noteholder has the power and taken all necessary action to purchase the Notes.
3. **Consents.** All governmental and other consents that are required to have been obtained with respect to the Noteholder's agreement to purchase the Notes have been obtained and all relevant authorisations, licences and approvals applicable to the Noteholder in respect of the Notes have been obtained and are in full force and effect and all conditions of any such consents, authorisations, licences and approvals have been complied with.
4. **No Conflict.** Performance of the Noteholder's obligations in connection with any purchase of the Notes do not violate or conflict with any law applicable to the Noteholder, any rule or regulation to which the Noteholder is subject, any provision of its constitutional documents (including without limitation, any operating, investment, risk management or other guidelines, whether or not mandatory), any order or judgment of any court or other agency of government applicable to such Noteholder or any of its assets or any contractual restriction binding on or affecting it or any of its assets.
5. **Non-Reliance.** The Noteholder is acting for its own account and has made its own independent decisions to purchase the Notes and as to whether the Note purchase is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it deems necessary taking into account its own personal circumstances and requirements (which includes, but are not limited to, any of its investment, financial, accounting, legal or regulatory requirements or considerations). The Noteholder is not relying on any communication (written or oral) from Barclays Bank PLC or any of its affiliates as (i) investment, financial, accounting, legal and/or regulatory advice or (ii) as a recommendation to purchase the Notes; it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered any form of advice or a recommendation to purchase the Notes. No communication (written or oral) received from Barclays Bank PLC or any of its affiliates shall be deemed to be an assurance or guarantee as to the expected results of the purchase of the Notes. The Noteholder acknowledges that neither Barclays Bank PLC nor any of its affiliates are a fiduciary or financial, investment or trading advisor for it, neither Barclays Bank PLC nor any of its affiliates have committed to unwind or cover losses from any purchase, and have not given it (directly or indirectly through any other person) any advice or counsel, assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of an investment in, or terms of, the Notes.
6. **Assessment and Understanding.** The Noteholder is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and

understands and accepts, the terms, conditions and risks of purchasing the Notes. The Noteholder is also capable of assuming and it assumes, the financial and other risks (which include, but are not limited to, accounting, legal and/or regulatory risks) of purchasing the Notes, including the risks and outcome of any Credit Event. The Noteholder understands and approves the credit(s) to which the Notes will be linked. If the Notes permit replacement or substitution of credits, the Noteholder understands and approves the methodology and criteria for such replacements or substitutions. The Noteholder has conducted independent investigations and analysis regarding the Issuer, the Notes, and all other relevant persons and such market and economic factors as it deems appropriate to evaluate the merits and risks of an investment in the Notes. The Noteholder has such knowledge and experience in financial and business matters, particularly in transactions that involve a high degree of risk, and access to and knowledge of appropriate analytical resources to be able to evaluate the information in the term sheet and this Series Memorandum and the merits and risks of an investment in the Notes, after full consideration of its financial, tax, accounting and regulatory circumstances and investment objectives.

7. **Terms and Conditions.** The Noteholder acknowledges that the operative terms and conditions of the Notes will be exclusively those set forth, or incorporated, in this Series Memorandum and that it is not entitled to rely on any description of the terms and conditions of the Notes or any undertaking by any other party with respect to the Notes that is not set forth, or incorporated, in this Series Memorandum, including, without limitation, any such description or undertaking communicated orally or set forth in any pitch books or other marketing materials. The Noteholder understands and acknowledges that Japanese translations of any documents provided to it by, or on behalf of, the Issuer or Barclays Bank PLC or any of the affiliates of Barclays Bank PLC are being provided for reference purposes only and that, in all cases, the English language version of the document will be the governing document.
8. **Compliance with all applicable law and regulation.** The Noteholder acknowledges that no action has been or will be taken by it in any jurisdiction that would permit a public offering of the Notes. The Noteholder is exclusively responsible for any re-sale of the Notes including, without limitation, in Japan, and it has complied and will comply with any applicable laws and regulations in any relevant jurisdiction in offering or re-selling the Notes or carrying out any type of solicitation in connection with the Notes. In addition, the Noteholder will ensure that the purchasers of the Notes will comply with any applicable laws and regulations in any relevant jurisdiction in its purchase of the Notes.
9. **Third Party Information.** The Noteholder acknowledges and agrees that the Issuer has only made very limited enquiries with regards to, and none of the Programme Parties has verified or (save as otherwise set out in the section headed “Responsibility Statement”) accepts any responsibility for, the accuracy and completeness of the Third Party Information.

CONDITIONS OF THE NOTES

Series CLN 2022-24 JPY 3,000,000,000 Secured Limited Recourse Credit-Linked Notes due 2026

The Terms and Conditions of the Notes designated as above (the “Notes”) shall be the Master Conditions as completed, modified and amended by the terms set out herein (the “Terms”). The Master Conditions are set out in the Programme Memorandum dated 23 February 2022, as supplemented from time to time (the “Programme Memorandum”) relating to the ARLO II Limited Programme for the issue of Notes and the making of Alternative Investments (the “Programme”) and, for the purposes of these Notes, the Master Conditions (February 2022 Edition – Version 1) shall apply.

Unless the context otherwise requires, terms defined in the Master Conditions or in the Charged Agreement (as defined below) shall have the same meanings when used in these Terms.

1. (i) Issuer: ARLO II Limited.
- (ii) Arranger and Dealer: Barclays Bank PLC.
- (iii) Swap Counterparty: Barclays Bank PLC.
- (iv) Trustee: BNY Mellon Corporate Trustee Services Limited.
- (v) Issue Agent and Principal Paying Agent: The Bank of New York Mellon, London Branch.
- (vi) Paying Agent: The Bank of New York Mellon, London Branch.
- (vii) Custodian: The Bank of New York Mellon, London Branch. The Bank of New York Mellon, London Branch has appointed the Sub-Custodian to hold the Charged Assets that comprise any JGBs (as defined below) – see Paragraphs 9 (*Charged Assets*) and 32 (*Depositary Account*) below.
- (viii) Interest Calculation Agent: Barclays Bank PLC.

Any calculations or determinations required to be made by the Interest Calculation Agent shall, unless expressly stated otherwise, be made in good faith and in its sole and absolute discretion, effective as of such determination, and shall be conclusive absent manifest error.
- (ix) Common Depositary: The Bank of New York Mellon, London Branch.
- (x) Determination Agent: Barclays Bank PLC.

Any calculations or determinations required to be made by the Determination Agent shall, unless expressly stated otherwise, be made in good faith and in its sole and absolute discretion, effective as of such determination,

and shall be conclusive absent manifest error.

- (xi) Realisation Agent: Barclays Bank PLC.
- (xii) Registrar and Transfer Agent: Not applicable.
- 2. (i) Series Number: Series CLN 2022-24.
- (ii) Specified Currency: Japanese Yen (“JPY”, “¥” or “**Note Currency**”).
- 3. Principal Amount: JPY 3,000,000,000.

The aggregate principal amount of the Notes then outstanding at any given point in time being the “**Outstanding Principal Amount**”. Unless otherwise provided for, the Outstanding Principal Amount as referenced anywhere herein shall be determined as at the point of determination of the relevant calculation or amount in relation to which such Outstanding Principal Amount forms a constituent part.

- 4. Status: The Notes are secured and limited recourse obligations of the Issuer ranking *pari passu* and rateably without preference among themselves, recourse in respect of which is limited in the manner described in the Conditions. The Notes are secured in the manner described in Condition 4 (*Security*) and Paragraph 11 (*Security*) below and are subject to the priority set out below.

After meeting the expenses and remuneration of and any other amounts due to the Trustee, including in respect of liabilities incurred, or to any receiver appointed pursuant to the Trust Deed and/or the Additional Charging Instrument, in each case in respect of the Notes, and subject as provided in the Constituting Instrument and/or the Additional Charging Instrument, the net proceeds of the enforcement of the security constituted pursuant to the Trust Deed and/or the Additional Charging Instrument will be applied as follows:

- (i) **firstly**, (a) in meeting the claims (if any) of the Custodian, the Principal Paying Agent and the Registrar in respect of any amounts payable by the Issuer in relation to the Notes under the Custody Agreement or the Agency Agreement, respectively (including but not limited to any amounts of value added tax or other taxes due to any applicable revenue authorities); (b) in meeting the claims (if

any) of the Custodian for reimbursement in respect of payment of any amount in respect of the Charged Assets made to the Issuer and/or the Principal Paying Agent on its behalf prior to receipt of the same by the Custodian; and (c) in meeting the claims (if any) of the Principal Paying Agent for reimbursement in respect of payment of principal and interest made to the Noteholders prior to receipt of the same by the Principal Paying Agent, each of the claims in (a), (b) and (c) above to rank *pari passu* and rateably;

- (ii) **secondly**, in meeting the claims (if any) of the Swap Counterparty under the Charged Agreement;
- (iii) **thirdly**, in meeting the claims (if any) of the Noteholders *pari passu* and rateably; and
- (iv) **fourthly**, in payment of the balance (if any) to the Issuer.

- 5. Issue Price: 100 per cent.
- 6. Authorised Denomination: JPY 100,000,000.
- 7. Issue Date: 5 January 2023.
Trade Date: 9 December 2022.
- 8. Maturity Date: The Scheduled Termination Date (as defined in the CDS Confirmation), subject to the occurrence of any Early Redemption Event and/or an Automatic Issuer Option Exercise Event, or if later, the Deferred Maturity Date, **provided that** (X) where the Notes are subject to redemption in full and not in part pursuant to (a) Paragraph 25(A) (*Note Redemption*) of the Terms, the Early Termination Date (as defined in the Charged Agreement) in respect of each of the ASW and the CDS (which will fall on the same date pursuant to the terms of the Charged Agreement in such circumstances and may fall after the Scheduled Termination Date) or (b) Paragraph 25(D) (*Issuer Option Redemption*) the Issuer Optional Early Termination Date (as defined in the Charged Agreement) in respect of the AWS and which may fall after the Scheduled Termination Date; and (Y) where the Notes are subject to redemption in full and not in part pursuant to Paragraph 25(B) (*Credit Event*

Redemption) of the Terms, the Relevant Auction Settlement Date or the Relevant Cash Settlement Date, as the case may be (each as defined below) (provided, for the avoidance of doubt, that the Relevant Auction Settlement Date or the Relevant Cash Settlement Date (as applicable) may fall after the Scheduled Termination Date), **provided further that** (A) if a Credit Event (as such term is incorporated into the CDS Confirmation) and an Event Determination Date (as such term is incorporated into the CDS Confirmation) occurs prior to the Maturity Date (without taking into account this proviso) and (B) prior to the Auction Final Price Determination Date (as such term is incorporated into the CDS Confirmation) or the Valuation Date (as such term is incorporated into the CDS Confirmation) (as the case may be) a DC Resolution (as such term is incorporated into the CDS Confirmation) reverses the determination with respect to such Credit Event, the Maturity Date shall be, subject to the designation of an Early Termination Date in respect of the CDS and/or the ASW, the later of (a) the Maturity Date determined without taking into account this proviso and (b) three (3) Business Days after the date of such DC Resolution.

“Relevant Auction Settlement Date” means the Auction Settlement Date immediately following which the Principal Amount is reduced to zero.

“Relevant Cash Settlement Date” means the Cash Settlement Date immediately following which the Principal Amount is reduced to zero.

Deferred Maturity Date:

(i) Subject to sub-paragraph (ii) below, (a) if an Extension Notice is effective and no Event Determination Date occurs on or prior to the Extension Date, five (5) Business Days after the Extension Date or, (b) if an Extension Notice is effective and an Event Determination Date occurs on or prior to the Extension Date, the Auction Settlement Date or the Cash Settlement Date (as the case may be).

(ii) If a DC Credit Event Question (as such term is incorporated into the CDS Confirmation) has been submitted to the DC Secretary but, as of the last applicable day of the Notice Delivery Period, no announcement had been made by the DC Secretary with respect to the Credit Event Resolution Request Date (as such term is

incorporated into the CDS Confirmation), the later of (1) the date determined pursuant to subparagraph (i) above where the Extension Notice is effective, and (2) the date falling five (5) Business Days after the DC Secretary makes such announcement or such earlier date as the Interest Calculation Agent may determine in its sole and absolute discretion.

9. Charged Assets:

The Charged Assets comprise the Initial Charged Assets or any Replacement Charged Assets (each, as defined below), as may be adjusted from time to time pursuant to the provisions below relating to operation of the Credit Support Annex in respect of the Charged Agreement.

Condition 4(a)(i) shall be amended by inserting the words “, which expression shall include any Replacement Charged Assets” in the second last line, immediately following the words “(the **“Charged Assets”**)”.

On the Issue Date, the Charged Assets will comprise either (i) JPY 3,000,000,000 cash in cleared and freely transferable funds, which shall be deposited into a Cash Account (the **“Cash Charged Assets”**), or (ii) JPY 3,000,000,000 principal amount of JGBs (the **“Initial Reference Amount”**), as determined by the Swap Counterparty in its sole discretion (such initial Charged Assets, the **“Initial Charged Assets”**).

“JGBs” means the Government of Japan No. 146 0.100 per cent. Bonds due 20 December 2025 (ISIN: JP1051461M13).

“JGB Charged Assets” means any JGBs which comprise Charged Assets from time to time.

Noteholders should be aware that, to the extent that the Initial Charged Assets comprise Cash Charged Assets, the terms and conditions of the Notes permit (but do not oblige) the Swap Counterparty to substitute such Initial Charged Assets with the JGB Charged Assets following the Issue Date.

Following the Issue Date, (i) any Eligible Credit Support and/or Equivalent Credit Support (each as defined in the Charged Agreement) transferred by the Swap Counterparty to the Issuer pursuant to the Credit Support Annex in respect of the Charged Agreement shall, upon such transfer, comprise part of the Charged Assets; and (ii) any Eligible Credit Support and/or Equivalent Credit Support (each as defined in the Charged Agreement) transferred by the Issuer to the Swap Counterparty pursuant to the Credit Support Annex in respect of the Charged Agreement shall, upon such transfer, no longer comprise part of the Charged Assets.

The Charged Assets that comprise JGBs are book-entry Japanese Government Bonds (*furikae kokusai*) and will be held in the Bank of Japan’s Japanese Government Bonds Book-entry System (*Kokusai-Furikae Kessai Seido*), which shall constitute an **“Alternative Clearing System”** for the purpose of this Series.

Pursuant to the Custody Agreement, the Custodian will operate two custody accounts, one account in the name of the Issuer, and one account in the name of the Trustee. The Custodian will appoint a sub-custodian (the “**Sub-Custodian**”) in respect of each account, pursuant to the Sub-Custody Arrangements (as defined below). As at the Issue Date, the Custodian has appointed Mizuho Bank, Ltd. as the Sub-Custodian.

The “**Sub-Custody Arrangements**” means (a) the arrangement pursuant to which the Custodian appoints the Sub-Custodian to open and maintain the Issuer Sub-Custody Account (as defined in Paragraph 32 (*Depositary Account*)), and (b) the arrangement pursuant to which the Custodian appoints the Sub-Custodian to open and maintain the Trustee Sub-Custody Account (as defined in Paragraph 32 (*Depositary Account*)), in each case on substantially the same terms as the Custody Agreement.

In the event that the Charged Assets comprise JGB Charged Assets, if the Charged Assets are redeemed in whole or in part on or prior to the Maturity Date, provided that such redemption does not constitute an Early Redemption Event under the provisions of Paragraph 25(A) (*Note Redemption*) hereof, such Redemption Proceeds shall be credited to the relevant Cash Account pursuant to the Custody Agreement, and shall comprise Charged Assets as from the date of such crediting.

Interest shall accrue on the respective Cash Account Balance (as defined in the Charged Agreement) up to and including the Maturity Date on a daily basis at the relevant Overnight Rate in an amount equal to the product of the following:

- (a) the respective Cash Account Balance;
- (b) the relevant Overnight Rate; and
- (c) $1/365$,

provided that:

- (1) where, for whatever reason, the Custodian is unable to pay interest in accordance with this paragraph, interest shall cease to accrue in respect thereof from such date as so determined by the Custodian; and
- (2) to the extent that the Cash Account Balance relates to the Cash Charged Assets, the amount of interest payable shall be an amount (if any) to be agreed between the Swap Counterparty and the Custodian.

Where the Custodian is unable to pay interest on any Cash Account at the aforementioned rate or where it will apply a charge as contemplated below, it shall promptly notify the Issuer, the Trustee, the Principal Paying Agent, the Realisation Agent and the Swap Counterparty.

In respect of any cash held by the Custodian on behalf of the Issuer in respect of the Notes, if the relevant overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority reaches or falls below zero, the Custodian or its affiliates may (solely in such circumstance) apply a charge (the “**Custodian Charge**”) to the Cash Account in respect of the cash proceeds and/or cash standing to the credit thereof (and such Custodian Charge may also include any charges or fees that the Custodian may apply to the Cash Account, in addition to any negative interest, that may be chargeable as a result of any negative interest rate applicable to such account), provided that the Custodian may only deduct or debit any amount standing to the credit of

the Cash Account in connection with the satisfaction or reimbursement of any Custodian Charge levied during the Extension Calculation Period.

“**Extension Calculation Period**” has the meaning given to it in the Charged Agreement.

“**Overnight Rate**” means the offered rate of the Custodian for overnight deposits (if relevant) in the applicable currency in the relevant Cash Account in an amount equal to the related Cash Account Balance.

Replacement Charged Assets

The Swap Counterparty and the Issuer agree that, to the extent that the Initial Charged Assets comprise Cash Charged Assets, on the JGB Delivery Date (as defined below) the Issuer shall transfer, or procure the transfer of, and the Custodian on behalf of the Issuer shall so transfer, to or to the order of, the Swap Counterparty, cash in an amount equal to the Cash Charged Assets in cleared and freely transferable funds (the “**Replaced Charged Assets**”) in return for which the Swap Counterparty will, in accordance with the provisions below, deliver to the Issuer the Replacement Charged Assets on the JGB Delivery Date (the “**Charged Assets Replacement**”).

The transfer of the Replaced Charged Assets by the Issuer (or the Custodian on behalf of the Issuer) and the delivery of the Replacement Charged Assets by the Swap Counterparty shall be made with full title guarantee, free and clear of all charges, liens and encumbrances (other than any Permitted Limitation on Title) and with the benefit of all rights and entitlements thereto and therein subsisting as at the date of the Charged Assets Replacement.

The Replacement Charged Assets shall form part of the Charged Assets. Any Replaced Charged Assets so delivered or transferred by or on behalf of the Issuer shall be deemed automatically released from the security created by or pursuant to the Trust Deed and/or the Additional Charging Instrument and shall cease to form part of the Collateral and any Replacement Charged Assets so delivered or transferred or paid by the Swap Counterparty shall become subject to such security and shall form part of the Collateral.

The Charged Assets Replacement shall be subject to (a) compliance with all relevant laws, regulations and directives; (b) the terms and conditions of the Replacement Charged Assets; (c) the Swap Counterparty paying any costs and expenses (including, without limitation, any securities transaction tax or other tax or any stamp duty) payable by or on behalf of the Issuer in connection with such Charged Assets Replacement; and (d) delivery of the Replacement Charged Assets to the Issuer.

For the purposes of these Conditions, the following terms shall have the meanings set out below:-

“**JGB Delivery Date**” shall mean the date notified in writing (which may be by way of email) as such by the Swap Counterparty to the Issuer and the Custodian.

“**Replacement Charged Assets**” shall mean the JGBs.

10. Charged Agreement: The International Swaps and Derivatives Association, Inc. (“**ISDA**”) 2002 form of Master Agreement and a schedule thereto dated the date of the Constituting Instrument between the Swap Counterparty and the Issuer; as supplemented by (i) a confirmation of an asset

swap transaction (the “**ASW**”) entered into between the Swap Counterparty and the Issuer, with an effective date of 5 January 2023 (the “**Asset Swap Confirmation**”), (ii) a confirmation of a credit default swap transaction (the “**CDS**”) entered into between the Swap Counterparty and the Issuer, with an effective date of 5 January 2023 (the “**CDS Confirmation**”) (together with the Asset Swap Confirmation, the “**Confirmations**”) and (iii) the ISDA 1995 form of Credit Support Annex (Bilateral Form – Transfer) and the Paragraph 11 thereto in the form of Schedule 7 to the Constituting Instrument entered into between the Swap Counterparty and the Issuer dated 5 January 2023 (the “**Credit Support Annex**”).

11. Security:

As set out in Condition 4(a) (*Security*) save that to the extent that the Charged Assets comprise JGBs:

- (i) there will additionally be an assignment of the Issuer’s rights against the Custodian and the Sub-Custodian with respect to such Charged Assets under the Custody Agreement and the Sub-Custody Arrangements, and any moneys and/or other assets received thereunder; and
- (ii) such Charged Assets will additionally be secured pursuant to a Japanese law pledge agreement between the Issuer, the Custodian, the Trustee and the Swap Counterparty on the terms (as amended, modified and/or supplemented by the Constituting Instrument) set out in the Master Japanese Pledge Terms (Japanese Government Bonds) as specified in the Constituting Instrument (the “**Pledge Agreement**”).

The Pledge Agreement shall constitute an “**Additional Charging Instrument**” for the purposes of this Series.

12. Fixed Rate Notes Provisions:

Applicable.

(i) Interest Commencement Date:

6 January 2023.

(ii) Interest Periods:

Each period from, and including, an Interest Payment Date (or in respect of the first Interest Payment Date, from, and including, the Interest Commencement Date) to, but excluding, the

immediately following Interest Payment Date.

Interest Periods are not subject to adjustment in accordance with the Business Day Convention.

- (iii) Interest Payment Dates: 26 January and 26 July in each year, from, and including, 26 July 2023 to, and including the Scheduled Termination Date specified in the Asset Swap Confirmation, in each case subject to adjustment in accordance with the Business Day Convention, the occurrence of any Early Redemption Event and/or an Automatic Issuer Option Exercise Event.
- If (i) an Event Determination Date occurs, interest due on the Outstanding Principal Amount of the Notes will cease to accrue from and including such Event Determination Date (or if there has been no Interest Payment Date, interest due on the Notes will cease to accrue from and including the Interest Commencement Date), and (ii) no Event Determination Date has occurred on or prior to the Exercise Date and a Note Redemption Event or an Automatic Issuer Option Exercise Event occurs on or prior to such Exercise Date, interest due on the Notes will cease to accrue from the Interest Payment Date immediately preceding the related Note Event Notice Delivery Date or Automatic Issuer Option Exercise Event, as applicable (or if there has been no Interest Payment Date, interest due on the Notes will cease to accrue from and including the Interest Commencement Date), and (iii) no Event Determination Date has occurred on or prior to the Early Redemption Date and an Extraordinary Event occurs on or prior to such Early Redemption Date, interest due on the Notes will cease to accrue from the Interest Payment Date immediately preceding the occurrence of such Extraordinary Event (or if there has been no Interest Payment Date, interest due on the Notes will cease to accrue from and including the Interest Commencement Date).
- (iv) Interest Rate: 0.75 per cent. per annum.
- (v) Day Count Fraction: 30/360.
- (vi) Business Day Convention: As defined in the Asset Swap Confirmation
13. Floating Rate Notes Provisions: Not applicable.
14. Zero Coupon Notes Provisions: Not applicable.

15. Index-Linked Interest Notes Provisions: Not applicable.
16. Notes issued in bearer or registered form: Bearer Notes.
17. Whether Notes will be C Notes or D Notes: The Notes shall be D Notes and, accordingly, the Notes shall be represented on issue by a Temporary Global Note.
- The Temporary Global Note shall be exchangeable for a Permanent Global Note on or after 40 days from the Issue Date (or such later date as may be determined to be the Exchange Date in accordance with the terms of such Temporary Global Note) upon certification as to non-U.S. beneficial ownership.
- The Permanent Global Note shall be exchangeable for definitive Bearer Notes in the limited circumstances set out in Condition 1(a)(1) (*Bearer Notes*).
18. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity for each Talon: No.
19. U.S. Series or non-U.S. Series: Non U.S. Series.
20. Listing: Application will be made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purpose of MiFID II. No assurance can be given that such application will be granted.
21. Ratings: None.
22. Business Days: London, Tokyo and New York.
23. Call/Put Option: See Issuer Optional Redemption and Put Option Exercise Event in Paragraph 25 (*Early Redemption*) below.
24. Scheduled Redemption Amount: In respect of each Note, an amount in the Note Currency equal to (i) the Authorised Denomination minus (ii) the Extension Calculation Period Amount in respect of such Note (if any), subject to a minimum of zero.
- The “**Extension Calculation Period Amount**” means an amount in the Note Currency Equivalent (which can be a positive amount or a

negative amount) determined by the Interest Calculation Agent in its sole and absolute discretion, equal to the Note Currency Equivalent of:

(i) such Note's *pro rata* share of an amount equal to any Custodian Charge levied during the Extension Calculation Period (where applicable),

(ii) plus such Note's *pro rata* share of an amount equal to any AV Negative Interest Amount (as defined below) transferred from the Issuer to the Swap Counterparty pursuant to the Credit Support Annex during the Extension Calculation Period; and

(iii) minus such Note's *pro rata* share of an amount equal to any AV Negative Interest Amount transferred from the Swap Counterparty to the Issuer pursuant to the Credit Support Annex during the Extension Calculation Period.

The Notes may be redeemed in part (and the Principal Amount reduced accordingly) in accordance with the Credit Derivatives Definitions, as amended pursuant to paragraph 5 of the CDS Confirmation, where more than one Successor (as defined in the CDS Confirmation) to a Reference Entity has been identified.

"AV Negative Interest Amount" means the absolute value of any negative interest amount payable by the Issuer, or the Swap Counterparty, as applicable, pursuant to the Credit Support Annex in accordance with the Negative Interest Protocol (as defined in the Credit Support Annex).

25. Early Redemption:

- (A) **Note Redemption:** If a Note Redemption Event occurs (regardless of whether or not it is continuing) and the Swap Counterparty delivers a Note Event Notice to the Issuer, all the Notes outstanding (and not some only) shall be redeemed by payment of the Note Redemption Amount in respect of each Note in accordance with the following provisions (provided that in the case of the occurrence of a Put Option Exercise Event, no Note Event Notice or other notice shall be required to be delivered and instead it shall be deemed that a Note Event Notice had been delivered by the Swap Counterparty for the purposes of paragraphs (i) and (ii) below) and, accordingly, Condition 7(b) (*Mandatory Redemption*) shall not apply, save in respect of an Illegality Event which shall be an Additional Mandatory Redemption Event.

- (i) If in the case of any Note Redemption Event, the Swap Counterparty delivers a Note Event Notice pursuant to the Charged Agreement or a Note Event Notice has been deemed to be automatically occur pursuant to the above paragraph, the Issuer shall, on (A) the Business Day following the date of delivery; or (B) the Business Day of the deemed automatic delivery (as applicable) of the Note Event Notice by the Swap Counterparty (or, where a Note Redemption Event occurs on the Maturity Date, within such shorter period as may be accepted by the Determination Agent), give notice thereof to the Trustee and the other Agents and the Noteholders in accordance with Condition 14 (*Notices*) and the Notes shall become due and repayable on the Early Termination Date in respect of each of the ASW and the CDS.

For the avoidance of doubt (x) the right of the Swap Counterparty to deliver such notice and for the Issuer to redeem the Notes on the Early Termination Date shall apply notwithstanding that on any day after the Note Redemption Event the market value of the Charged Assets and/or the Costs (as defined in the CDS) increase and (y) in the case of any Note Redemption Event, failure to deliver any such notice by or on behalf of the Issuer shall not affect the effectiveness of any Note Event Notice delivered pursuant to the Charged Agreement or the application of the other provisions of this Paragraph 25(A) (*Note Redemption*).

- (ii) On the Early Termination Date in respect of each of the ASW and the CDS, each Note shall be redeemed at its Note Redemption Amount (and upon payment in full thereof, the Issuer's obligations in respect of the Notes shall be cancelled and discharged in full, the Issuer shall have no obligation to make payment to the Noteholders of the Principal Amount, and the Noteholders shall have no further recourse to the Issuer or any other party in respect of the Notes).
- (iii) For the avoidance of doubt, the Note Redemption Amount shall be funded under the Charged Agreement, and the security constituted by the Constituting Instrument shall not be enforceable due to the occurrence of a Note Redemption Event.

The "**Note Redemption Amount**" of a Note is an amount equal to such Note's *pro rata* portion of the Aggregate Note Redemption Amount of the Notes.

Pursuant to the terms of the Charged Agreement, where a Note Redemption Event occurs, the Early Termination Date designated in respect of the CDS and the ASW shall be the same date.

Noteholders should be aware that they bear the risk of a Note Redemption Event occurring or having occurred at any time from and including 9 December 2022 (notwithstanding that such date precedes the Issue Date), up to and including the Scheduled Termination Date.

None of the Issuer, the Programme Parties and their respective affiliates has made any investigation of, or makes any representation or warranty, express or implied, as to whether a Note Redemption Event has occurred or is likely to occur or as to the creditworthiness of the issuer of the Charged Assets, and each prospective Noteholder is advised to make its own investigations and assessment of the same.

- (B) **Credit Event Redemption:** If an Event Determination Date occurs on or prior to the later of: (a) the Scheduled Termination Date and (b) the Extension Date (as such term is incorporated into the CDS Confirmation) (and is not otherwise deemed not to have occurred), in respect of the Reference Entity and the Swap Counterparty delivers a Credit Event Notice to the Issuer pursuant to the Charged Agreement, the Issuer shall give notice thereof to the Trustee, the Agents and the Noteholders in accordance with Condition 14 (*Notices*) on the Business Day following the date of delivery of the Credit Event Notice by the Swap Counterparty (provided that the failure by the Issuer to deliver any such notice shall not affect the effectiveness of any Credit Event Notice delivered pursuant to the Charged Agreement or the application of the other provisions of this Paragraph 25(B) (*Credit Event Redemption*)) and each Note shall be redeemed on the Auction Settlement Date or the Cash Settlement Date (as the case may be) by payment to the relevant Noteholder of its Adjusted Face Amount (as defined below), provided that the Charged Assets (and the Cash Account Balance, if any) have been delivered and/or transferred to the Swap Counterparty in accordance with Paragraph 4B of the CDS Confirmation. Upon payment of each Note's Adjusted Face Amount to the Noteholders (and upon payment in full thereof, the Issuer's obligations in respect of the Notes shall be cancelled and discharged in full, the Issuer shall have no obligation to make payment to the Noteholders of the Principal Amount, and the Noteholders shall have no further recourse to the Issuer or any other party in respect of the Notes).

The "**Adjusted Face Amount**" of a Note is an amount equal to such Note's *pro rata* portion of the Adjusted Principal Amount of the Notes.

The "**Adjusted Principal Amount**" of the Notes is an amount equal to the "Adjusted Notional Amount" of the Charged Agreement.

Noteholders should be aware that they bear the risk of a Credit Event occurring or having occurred at any time from and including the Credit Event Backstop Date (as such term is incorporated in the CDS Confirmation) (notwithstanding that such date precedes the Issue Date), up to and including the Scheduled Termination Date. Noteholders should be aware that the Maturity Date may fall later than 26 January 2026.

None of the Issuer, the Programme Parties and their respective affiliates has made any investigation of, or makes any representation or warranty, express or implied, as to whether a Credit Event has occurred or is likely to occur or as to the creditworthiness of the Reference Entity, and each prospective Noteholder is advised to make its own investigations and assessment of the same.

- (C) **Extraordinary Event:** Following an Extraordinary Event, the Notes shall redeem in accordance with the underlying Conditions relating to such Extraordinary Event and such events shall not be subject to the provisions of the Note Redemption Event or those relating to a Credit Event (as applicable) and instead the Notes will redeem in accordance with Condition 7(d) (*Redemption on termination of Charged Agreement*), Condition 7(b) (*Mandatory Redemption*) and/or Condition 9 (*Events of Default*) (as applicable, and as modified in respect of this Series).

Where "**Extraordinary Event**" means the occurrence of any of the following events:

- (i) the Notes are subject to redemption due to Condition 7(d) (*Redemption on termination of Charged Agreement*) (as amended herein) where the Swap Counterparty is the Defaulting Party under the Charged Agreement, but not due to the occurrence of (a) any other Note Redemption Event, (b) a Credit Event, (c) Condition 7(j) (*Purchase*), or (d) Condition 7(k) (*Exchange of Series*) (“**Swap Counterparty Default**”);
- (ii) the Issuer’s obligations under the Notes become illegal or unenforceable or otherwise prohibited (“**Illegality Event**”) and such Illegality Event shall be an Additional Mandatory Redemption Event for the purposes of this Series; and/or
- (iii) the Notes becoming subject to redemption pursuant to Condition 9 (*Events of Default*).

In connection with a Swap Counterparty Default, and notwithstanding Condition 7(h)(2) (*Redemption Amount of Notes*), if an Early Termination Date in respect of the CDS and/or the ASW is designated or deemed to occur as a result of an Event of Default in relation to the Swap Counterparty as the Defaulting Party, the amount payable upon redemption of each Note shall be the amount determined by the Trustee or, where applicable, the Determination Agent to be the amount available for redemption of such Note by applying the portion available to the Noteholders pursuant to Condition 4(c) (*Enforcement and Realisation of the Collateral upon redemption pursuant to Condition 7(b), 7(c), 7(d), 7(e), 7(f), 7(h), 7(i), 7(j) or 9)*) (or as it may be amended or replaced by the Constituting Instrument) of the net proceeds of enforcement of the security in accordance with Condition 4 *pari passu* and rateably to the Notes. For the avoidance of doubt, unless otherwise specified herein, all other terms of Condition 7(h)(2) (*Redemption Amount of Notes*) shall remain unchanged and enforceable.

- (D) **Issuer Option Redemption:** Pursuant to Condition 7(i)(2) (as amended herein and pursuant to the Constituting Instrument), *provided that* (i) an Event Determination Date has not occurred; (ii) an Extraordinary Event has not occurred; and/or (iii) an Exercise Date (in respect of a Note Redemption Event) has not been designated, in each case on or prior to an Issuer Option Observation Date, then if the Determination Agent (acting in its sole and absolute discretion) determines that on the relevant Issuer Option Observation Date, the Market Value is greater than the Strike Price (the occurrence of such event, an “**Automatic Issuer Option Exercise Event**”), the Determination Agent shall provide written notice to the Swap Counterparty, the Trustee and the Issuer of the occurrence of such Automatic Issuer Option Exercise Event and the relevant Issuer Optional Redemption Deferral Date (if applicable) no more than 3 Business Days following the relevant Issuer Option Observation Date (an “**Issuer Option Notice**” and the date of such notice, the “**Issuer Option Notice Date**”) and subject to the paragraphs below, the Issuer shall exercise its option to redeem the Notes in full (and not in part) by payment to the Noteholders in respect of each Note of the Issuer Optional Redemption Amount on the relevant Issuer Optional Redemption Date.

If either (a) an Extension Notice is delivered by the Swap Counterparty; or (b) the Swap Counterparty notifies the Issuer and/or the Determination Agent that it has determined that a Credit Event has occurred (but an Event Determination Date has not yet occurred in respect thereof), in each case on or before the relevant Issuer Option Observation Date (the occurrence of any such event, each a “**Potential**”

Adjustment Event") and the Automatic Issuer Option Exercise Event has occurred, then notwithstanding the foregoing, the following will apply instead:

- (i) if the event under limb (i)(b) of the definition of Deferred Maturity Date occurs or a Specified Event otherwise occurs (provided that the events set out in limb (ii) thereof and limb (iii) of the definition of Maturity Date do not otherwise occur), the redemption of the Notes pursuant to the Automatic Issuer Option Exercise Event and the payment by the Issuer to the Noteholders of the Issuer Optional Redemption Amount shall not occur on the relevant Issuer Optional Redemption Date and the Notes shall instead be redeemed pursuant to Paragraph 25(B) (*Credit Event Redemption*) (the "**Credit Event Redemption Date**"); or
- (ii) if any of the events set out in limb (i)(a) or limb (ii) of the definition of Deferred Maturity Date or limb (Y) of the definition of Maturity Date occur, the redemption of the Notes pursuant to the Automatic Issuer Option Exercise Event shall (X) instead occur on the Maturity Date (save that in respect of the occurrence of any event set out in item (Y) of the definition of Maturity Date only, the redemption of the Notes pursuant to the Automatic Issuer Option Exercise Event shall instead occur on the date set out in item (Y)(b) of the definition of Maturity Date (the "**Issuer Optional Redemption Deferral Date**")), and (Y) be redeemed at the Modified Issuer Optional Redemption Amount.

The Determination Agent shall provide written notice of the occurrence of an Issuer Optional Redemption Deferral Date (including by way of specifying the Issuer Optional Redemption Deferral Date in the relevant Issuer Option Notice) to the Issuer, the Trustee and the Swap Counterparty no more than 3 Business Days following the relevant Issuer Option Observation Date (and the Issuer shall provide notice thereof to the Noteholders pursuant to Condition 14 (*Notices*)).

Where:

"Issuer Option Observation Date" means the date falling 10 Business Days prior to an Issuer Optional Redemption Date;

"Issuer Optional Redemption Amount" means, in respect of a Note, an amount equal to such Note's pro rata portion of the Outstanding Principal Amount of the Notes plus any accrued but unpaid interest up to (i) the relevant Issuer Optional Redemption Date; or (ii) to the extent a Potential Adjustment Event occurs, the relevant Credit Event Redemption Date or the relevant Issuer Optional Redemption Deferral Date (as the case may be);

"Issuer Optional Redemption Date" means each Interest Payment Date from and including the Interest Payment Date scheduled to fall on 26 January 2024, to but excluding the Maturity Date;

"Market Value" means in respect of an Issuer Option Observation Date, an amount determined by the Determination Agent, in its sole and absolute discretion, equal to: (i) the Note Market Value in respect of the relevant Issuer Optional Redemption Date; divided by (ii) the Initial Reference Amount, with such resultant figure converted into and expressed as a percentage;

"Modified Issuer Optional Redemption Amount" means, in respect of a Note, an amount equal to (i) the Issuer Optional Redemption Amount *minus*

(ii) such Note's pro rata portion of the Extension Calculation Period Amount (if any);

"Note Market Value" means, in respect of an Issuer Option Observation Date, an amount equal to the Note Currency Equivalent of: (i) the bid price of the JGBs with a principal amount equal to the Reference Amount for settlement on the relevant Issuer Optional Redemption Date minus (ii) any Unwind Costs of a hypothetical early redemption of the Notes on the relevant Issuer Optional Redemption Date, as determined by the Determination Agent, in its sole and absolute discretion on the relevant Issuer Option Observation Date;

"Specified Event" means the event in which the Calculation Agent has determined (in its sole discretion) that the Automatic Issuer Option Exercise Event has occurred and an Event Determination Date has subsequently occurred on or after the relevant Issuer Option Observation Date; and

"Strike Price" means 100.00%.

Following the occurrence of the Automatic Issuer Option Exercise Event, the Issuer will deliver all the Charged Assets to the Swap Counterparty and the Swap Counterparty will pay to the Issuer an amount in the Note Currency, subject to a minimum of zero, equal to the Issuer Optional Redemption Amount in accordance with the terms of the Issuer Optional Early Termination pursuant to the Asset Swap Confirmation.

Notwithstanding any provision to the contrary, if, at any time following the delivery of an Issuer Option Notice by the Determination Agent pursuant to the occurrence of the Automatic Issuer Option Exercise Event but prior to the relevant Issuer Optional Redemption Date, the relevant Credit Event Redemption Date or the relevant Issuer Optional Redemption Deferral Date (as the case may be), a Note Redemption Event (including, without limitation, a Put Option Exercise Event) or an Extraordinary Event occurs, such Note Redemption Event or Extraordinary Event (as applicable) shall be deemed not to have occurred and the Notes shall be redeemed on such relevant Issuer Optional Redemption Date, such relevant Credit Event Redemption Date or such relevant Issuer Optional Redemption Deferral Date (as the case may be) in accordance with the terms of the Issuer Option set out herein as if such Note Redemption Event or Extraordinary Event (as applicable) had not occurred.

- (E) Any determination made by the Realisation Agent and/or the Determination Agent pursuant to this Paragraph 25 (*Early Redemption*) shall (in the absence of manifest error) be final and binding upon all parties. If the Realisation Agent or the Determination Agent is unable or unwilling to act as such, the Issuer shall, with the prior written consent of the Trustee, appoint the London office of a leading international investment bank to act as such in its place. The Realisation Agent and the Determination Agent may not resign its duties without a successor having been appointed as aforesaid.
- (F) Any term that is used in this Paragraph 25 (*Early Redemption*) and not defined herein shall bear the meaning ascribed to it in the Charged Agreement.
- (G) For the avoidance of doubt, Condition 7(d) (*Redemption on termination of Charged Agreement*) shall only apply to the Notes if the Charged Agreement is terminated in whole but not in part and shall not apply where the Charged Agreement is

terminated as a consequence of any other Note Redemption Event and/or Extraordinary Event (save in respect of an Extraordinary Event that is a Swap Counterparty Default), a Credit Event, Condition 7(j) (*Purchase*), and/or Condition 7(k) (*Exchange of Series*).

(H) **Maximum Redemption Amount**

For the purposes of Condition 7(g)(5) and the Note Redemption Amount, the Maximum Redemption Amount in respect of each Note shall be such Note's *pro rata* share of an amount ("**Aggregate Maximum Redemption Amount**") equal to the sum of (x) the Outstanding Principal Amount of the Notes, and (y) any accrued but unpaid interest in respect of the Outstanding Principal Amount of the Notes (that has so accrued up to, but excluding, the Early Termination Date (as defined in the Charged Agreement)).

(I) **Put Option Exercise Event**

Provided that no (i) Event Determination Date, (ii) Note Redemption Event, (iii) Extraordinary Event or (iv) Automatic Issuer Option Exercise Event has occurred for any reason, the sole, beneficial holder of 100% of the aggregate principal amount of the Notes then outstanding (the "**Sole Noteholder**") may, on any Business Day prior to the Maturity Date, deliver a valid notice (which may be delivered outside the clearing systems using such notice details as may be obtained from the Determination Agent upon request by the Sole Noteholder) (a "**Put Option Exercise Notice**") on such date (the "**Put Option Notice Date**") to the Issuer (with a copy to the Calculation Agent, the Determination Agent, the Principal Paying Agent, the Realisation Agent, the Swap Counterparty, the Trustee and the Custodian) together with evidence to the satisfaction of the Determination Agent of such Sole Noteholder's holding of 100% of the aggregate principal amount of the Notes then outstanding (the "**Sole Noteholding Requirement**") designating an Early Redemption Date (such date, a "**Put Option Redemption Date**") on which the Issuer shall (subject to adjustment pursuant to Paragraph 25 (*Early Redemption*)) redeem the Notes in full (and not in part) in accordance with Paragraph 25 (*Early Redemption*), *provided however that* the Put Option Exercise Notice shall only be valid if:

- (i) the Put Option Redemption Date so designated must be (i) on a day falling on a Business Day from and including the Issue Date to but excluding the Maturity Date and (ii) not less than 10 Business Days and not more than 20 Business Days following the date on which the Put Option Exercise Notice has been effectively delivered; and
- (ii) the Sole Noteholding Requirement is satisfied.

Such valid exercise by a Sole Noteholder being a "**Put Option Exercise Event**".

Each of the Swap Counterparty, the Calculation Agent, the Principal Paying Agent, the Custodian, the Realisation Agent and the Trustee shall be entitled at all times to rely on any communication purporting to be delivered by a Sole Noteholder and to act upon the same and shall have no liability whatsoever in respect of such reliance.

The occurrence of a Put Option Exercise Event constitutes a Note Redemption Event and the Notes shall be redeemed pursuant to the provisions of Paragraph 25(A) (*Note Redemption*) (save in circumstances expressly provided otherwise herein).

If, at any time following the delivery of a valid Put Option Exercise Notice by the Sole Noteholder pursuant to the occurrence of Put Option Exercise Event but prior to the relevant Put Option Redemption Date:

- (i) an Event Determination Date occurs,
- (ii) an Extraordinary Event occurs,
- (iii) a Note Redemption Event (other than a Note Redemption Event which constitutes a Put Option Exercise Event) occurs, or
- (iv) either:
 - (a) an Extension Notice is delivered by the Swap Counterparty; or
 - (b) the Swap Counterparty notifies the Issuer and/or the Determination Agent that it has determined that a Credit Event has occurred (but an Event Determination Date has not yet occurred in respect thereof),

(each, a “**Put Option Exercise Reversal Event**”), the Put Option Exercise Event shall be deemed not to have occurred and the Notes shall be redeemed on the Early Redemption Date in accordance with the terms of the Early Redemption set out herein as if such Put Option Exercise Event had not occurred and the Determination Agent shall notify the Sole Noteholder in writing of the occurrence of the relevant Put Option Exercise Reversal Event and that the Put Option Exercise Event shall be deemed not to have occurred.

- 26. Settlement Procedures: The Notes have been accepted for settlement in Euroclear and Clearstream, Luxembourg.
- 27. Common Code: 256834057
- 28. ISIN: XS2568340579.
- 29. Additional Provisions: None.
- 30. Agent for service of process: For the purposes of Condition 18 (*Governing Law and Submission to Jurisdiction*), the Issuer has appointed Maples and Calder of 11th Floor, 200 Aldersgate Street, London EC1A 4HD as its agent for service of any proceedings in England in relation to the Notes, the Trust Deed and the Constituting Instrument.
- 31. Note Redemption Events and Credit Events: The occurrence of any Note Redemption Event or any Credit Event, and all calculations, determinations and other steps required to be taken in connection therewith, under or in respect of the Charged Agreement are conclusive and binding on the Issuer, the Trustee, the Noteholders, the Agents and all other persons when and as they occur or they are made or taken under or in connection with the Charged Agreement pursuant to its terms,

without further notice or determination hereunder.

32. Depository Account:

- (A) To the extent that the Charged Assets comprise JGBs, the Depository Account shall be the Issuer Depository Account and/or the Trustee Depository Account, as the context may require, and the definition of “**Depository Account**” shall be construed accordingly.

The “**Issuer Depository Account**” means an account in the name of the Custodian for and on behalf of the Issuer opened and maintained with the Sub-Custodian, the account number of which shall be notified in writing by the Custodian to the Issuer, the Trustee and the Swap Counterparty from time to time.

The “**Trustee Depository Account**” means an account in the name of the Custodian for and on behalf of the Trustee opened and maintained with the Sub-Custodian, the account number of which shall be notified in writing by the Custodian to the Issuer, the Trustee and the Swap Counterparty from time to time.

For the purposes of holding the Charged Assets, the Sub-Custodian has opened and maintained a sub-custody account in the name of the Custodian (in respect of the Issuer Depository Account) with the Alternative Clearing System (the “**Issuer Sub-Custody Account**”) and has opened and maintained a sub-custody account in the name of the Custodian (in respect of the Trustee Depository Account) with the Alternative Clearing System (the “**Trustee Sub-Custody Account**”). The Issuer Sub-Custody Account and the Trustee Sub-Custody Account are each opened and maintained with the Alternative Clearing System under the JGB Book-Entry System of BOJ under and in accordance with the Laws and Regulations on Book-Entry Transfer of Corporate Bonds, Stocks, etc.

“**BOJ**” means the Bank of Japan.

“**Laws and Regulations on Book-Entry Transfer of Corporate Bonds, Stocks, etc.**” means the Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, etc. (Law No. 75 of 2001 as amended) and

related laws, regulations and the administrative rules established by BOJ for the operation of the JGB Book-Entry System of BOJ.

- (B) To the extent that the Charged Assets do not comprise JGBs, the Depository Account shall be such other account(s) maintained by the Custodian for and on behalf of the Issuer from time to time.

CONFIRMED

ARLO II LIMITED

By:

Dated: 5 January 2023

TAX CONSIDERATIONS

Prospective investors should consult their own tax advisors on the possible tax consequences of the purchase, ownership and disposition of the Notes under the laws of their country of citizenship, residence or domicile.

Investors should consult their own tax advisors regarding whether the purchase of the Notes, either alone or in conjunction with an investor's other activities, may subject a holder to any state or local taxes based, for example, on an assertion that the investor is either "doing business" in, or deriving income from a source located in, any state or local jurisdiction. Additionally, potential investors should consider the state, local and other tax consequences of purchasing, owning or disposing of the Notes. State and local tax laws may differ substantially from the corresponding federal tax law, and the foregoing discussion does not purport to describe any aspect of the tax laws of any state or other jurisdiction.

The Noteholders will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges, that may be applicable to any payment to it in respect of the Notes. Neither the Issuer nor any other person will pay any additional amounts to the Noteholders to reimburse it for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or by the Principal Paying Agent.

SUBSCRIPTION AND SALE

General

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Programme Memorandum or any part thereof or any other offering material or this Series Memorandum, in any country or jurisdiction where action for that purpose is required.

The Arranger will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distributes the Programme Memorandum or any part thereof, any other offering material or this Series Memorandum in all cases at its own expense unless otherwise agreed and neither the Issuer nor any other Arranger shall have responsibility therefor.

United States

The Notes have not been and will not be registered under the Securities Act. Consequently, the Notes may not, at any time, be offered, sold, resold, delivered or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act) or to persons who are not Non-United States Persons (as defined in Rule 4.7 of the United States Commodity Futures Trading Commission).

Cayman Islands

No invitation may be made to the public in the Cayman Islands to subscribe for the Notes unless at the time of such invitation the Issuer is listed on the Cayman Islands Stock Exchange. The Issuer currently has no intention of applying for such a listing.

European Economic Area

In relation to each Member State of the European Economic Area, the Arranger and each Dealer appointed pursuant to the Placing Agreement in respect of a Series of Notes will be required to represent and agree that it has not made and will not make an offer of Notes to the public in that Member State except that it may make an offer of Notes to the public in that Member State:

- (A) if the Series Memorandum in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Series Memorandum contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Series Memorandum and the Issuer has consented in writing to its use for the purpose of that Non-exempt offer;
- (B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (C) 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 relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(D) 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 (b) to (d) 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 the Notes, and the expression Prospectus Regulation means (Regulation (EU) 2017/1129).

United Kingdom

Unless otherwise provided in the relevant Placing Agreement, the Arranger and each Dealer will in each Placing Agreement to which it is party represent and agree in relation to the Notes or Alternative Investments to be purchased or entered into thereunder that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by a Series Memorandum in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (A) if the Series Memorandum in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by a prospectus contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Series Memorandum, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (B) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (D) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (B) to (D) above shall require the Issuer, Arranger or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an offer of Notes to the public in relation to any Notes 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 “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other Regulatory Restrictions

1. 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 FSMA by the Issuer;
2. it has only communicated or caused to be communicated, and it will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
3. 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 or Alternative Investments in, from or otherwise involving the United Kingdom.

Japan

The Arranger and Dealer are aware the Notes have not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) (the “**FIEL**”), and the Dealer has agreed that, accordingly, none of the Notes nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of the above, a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

As offering of the Notes constitutes an Offering to Qualified Institutional Investors (*tekikaku kikan toushika muke kanyuu*) (as defined in Article 23-13, Paragraph 1 of the FIEL), the Notes have not been and will not be registered under Article 4, Paragraph 1 of the FIEL. A purchaser may transfer the Notes only to Qualified Institutional Investor(s) (as defined in Article 2, Paragraph 3, Item 1 of the FIEA).

The foregoing paragraph shall not apply in case where both of the following (i) and (ii) are applicable, (i) the delivery date (the settlement date) is on or after the date which is immediately succeeding the issue date of the Notes, (ii) either one of the following (1) or (2) is applicable, (1) the seller is an affiliate of Barclays Securities Japan Limited which is located outside of Japan and the purchaser is either a Financial Instruments Business Operator, Etc. (as such term is defined in Article 34 of the FIEL) or a Qualified Institutional Investor (as defined in Article 2, Paragraph 3, Item 1 of the FIEL), or (2) the seller is Barclays Securities Japan Limited and the purchaser is a Financial Instruments Business Operator, Etc. which purchases the Notes for the purpose of resale to others.

INFORMATION CONCERNING THE SWAP COUNTERPARTY

In addition to the Issuer, Barclays Bank PLC accepts responsibility for the following information as provided in the section of this Series Memorandum headed "Responsibility Statement". None of the Trustee or any of the other Programme Parties (other than Barclays Bank PLC) has verified, or accepts any responsibility whatsoever for the accuracy or completeness of, such information and prospective investors in the Notes should make their own independent investigations and enquiries in respect thereof and into Barclays Bank PLC and the Group (as defined below).

Barclays Bank PLC (the "**Bank**", and together with its subsidiary undertakings, the "**Barclays Bank Group**") is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the "**Group**" or "**Barclays**") is the ultimate holding company of the Group. The Bank's principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank, supporting individuals and small businesses through its consumer banking services, and larger businesses and institutions through its corporate and investment banking services. Barclays is diversified by business, geography and income type. The Group's operations include consumer banking and payments services in the UK, U.S. and Europe, as well as a global corporate and investment bank. The Group operates as two divisions – the Barclays UK ("**Barclays UK**") division and the Barclays International ("**Barclays International**") division – which are supported by Barclays Execution Services Limited, the Group-wide service company providing technology, operations and functional services to businesses across the Group. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by its UK ring-fenced bank, Barclays Bank UK PLC ("**BBUKPLC**") and certain other entities within the Group. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses operate within its non-ring-fenced bank, the Bank and its subsidiaries, and by certain other entities within the Group.

The short term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings UK Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the unsecured unsubordinated long term obligations of the Bank are rated A by S&P Global Ratings UK Limited, A1 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited.

INFORMATION CONCERNING THE BANK OF NEW YORK MELLON, LONDON BRANCH

In addition to the Issuer, The Bank of New York Mellon, London Branch (formerly known as The Bank of New York) accepts responsibility for the following information as provided in the section of this Series Memorandum headed "Responsibility Statement". None of the Arranger, the Trustee, the Swap Counterparty or any of the other Programme Parties (other than The Bank of New York Mellon, London Branch) has verified, or accepts any responsibility whatsoever for the accuracy or completeness of, such information and prospective investors in the Notes should make their own independent investigations and enquiries in respect thereof and into The Bank of New York Mellon, London Branch.

The Bank of New York Mellon, London Branch is a branch, registered in England and Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at 160 Queen Victoria Street, London EC4V 4LA, of The Bank of New York Mellon - a wholly owned subsidiary of The Bank of New York Mellon Corporation which is a Delaware corporation (NYSE symbol: BK). The Bank of New York Mellon Corporation headquartered in New York, New York, (the "**Corporation**") manages and services assets for financial institutions, corporations and individual investors in 35 countries and more than 100 markets. As of December 31, 2022, the Corporation, including its subsidiaries, had \$44.3 trillion in assets under custody and/or administration and \$1.8 trillion in assets under management. With predecessors, the Corporation has been in business since 1784.

INFORMATION CONCERNING BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED

In addition to the Issuer, BNY Mellon Corporate Trustee Services Limited (the “Trustee”) accepts responsibility for the following information as provided in the section of this Series Memorandum headed “Responsibility Statement”. None of the Arranger, the Swap Counterparty or any of the other Programme Parties (other than the Trustee) has verified, or accepts any responsibility whatsoever for the accuracy or completeness of, such information and prospective investors in the Notes should make their own independent investigations and enquiries in respect thereof and into BNY Mellon Corporate Trustee Services Limited.

BNY Mellon Corporate Trustee Services Limited will be appointed pursuant to the Trust Deed as Trustee for the Noteholders.

The Trustee was formerly known as J.P. Morgan Corporate Trustee Services Limited. On 2 October 2006 the Trustee changed its name to BNY Corporate Trustee Services Limited and, subsequently, on 1 March 2011 the Trustee changed its name to BNY Mellon Corporate Trustee Services Limited.

The Trustee is a wholly owned subsidiary of BNY International Financing Corporation and administers a substantial and diverse portfolio of corporate trusteeships for both domestic and foreign companies and institutions.

The Trustee’s registered office and principal place of business is at 160 Queen Victoria Street, London, EC4V 4LA.

GENERAL INFORMATION

1. **Interests of Natural and Legal Persons Involved in the Issue**

Save as discussed in “*Risk Factors – Conflicts of Interest*” in the Programme Memorandum and in this document, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

2. **Reasons for the Issue and Estimated Total Expenses relating to Admission to Trading**

Reasons for the issue: the net proceeds of the issue of the Notes will be used by the Issuer on the Issue Date to satisfy its initial payment obligation under the Charged Agreement.

Estimated total expenses: USD10,000.

3. **Yield**

Details of the interest payable under the Notes are set out in Paragraph 13 of “Conditions of the Notes” above.

4. **Resolutions, Authorisations and Approvals by virtue of which the Notes have been Issued**

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Notes. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 3 January 2023.

5. **Cash Flow and Flow of Funds**

Pursuant to the Charged Agreement, the Fixed Amounts 2 (as defined in the Asset Swap Confirmation) and the amount payable by Party A pursuant to paragraph 4 (*Final Exchanges*) of the Asset Swap Confirmation will be paid to the Issuer for payment to the Noteholders by the Principal Paying Agent in respect of amounts due in respect of the Notes.

6. **Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the twelve months prior to the date hereof a significant effect on the Issuer’s financial position or profitability.

7. **Post-Issuance Reporting**

The Issuer does not intend to provide post-issuance information.

8. **Documents on Display**

From the date of this Series Memorandum and for so long as any Notes remain outstanding, the Issuer will make available for inspection physical copies of the memorandum and articles of association of the Issuer during the usual business hours on

any weekday (except Saturdays and Sundays and public holidays) at the specified office of the Principal Paying Agent.

9. **Swap Counterparty**

The Swap Counterparty has securities admitted to trading on the regulated market of the London Stock Exchange.

DESCRIPTION OF THE CHARGED ASSETS

As at the Issue Date, the Initial Charged Assets shall comprise either (i) cash in an amount of JPY 3,000,000,000 held in the Cash Account with the Custodian on behalf of the Issuer (the “**Cash Charged Assets**”), or (ii) JPY 3,000,000,000 principal amount of an issue by the Government of Japan No. 146 0.100 per cent. Bonds due 20 December 2025 (ISIN: JP1051461M13) (the “**JGB Charged Assets**”), as determined by the Swap Counterparty in its sole discretion.

Noteholders should be aware that, to the extent that the Initial Charged Assets comprise Cash Charged Assets, the terms and conditions of the Notes permit (but do not oblige) the Swap Counterparty to substitute the Initial Charged Assets with the JGB Charged Assets following the Issue Date.

The Issuer accepts responsibility for the following information as provided in the section of this Series Memorandum headed “Responsibility Statement”. The following information and any other information contained in this Series Memorandum relating to the JGB Charged Assets is a summary only of certain terms and conditions of such JGB Charged Assets and has been reproduced from the website of the Ministry of Finance Japan and Bloomberg. None of the Arranger, the Trustee, the Determination Agent, the Swap Counterparty or any of the other Programme Parties has verified, or accepts any responsibility whatsoever for the accuracy or completeness of, such information and prospective investors in the Notes should make their own independent investigations and enquiries in respect thereof and into the JGB Charged Assets and the issuer thereof.

JGB Charged Assets:

| | |
|---|--|
| Issuer: | The Government of Japan. |
| Country of Incorporation: | Japan |
| Description: | JPY 3,000,000,000 principal amount of an issue by the Government of Japan No. 146 0.100 per cent. Bonds due 20 December 2025 (ISIN: JP1051461M13). |
| Issue Size: | JPY 7,527,700,000,000 (as of 3 January 2023, and subject to subsequent increases and decreases). |
| Specified Currency or Currencies: | JPY. |
| Aggregate Nominal Amount: | JPY 3,000,000,000. |
| Interest: | 0.100 per cent. per annum. |
| Interest Basis: | Fixed. |
| Legal Maturity Date: | 20 December 2025. |
| ISIN: | JP1051461M13. |
| Name of Exchange on which issuer of the Charged Assets has listed securities: | Tokyo Stock Exchange and Nagoya Stock Exchange. The issuer of the JGB Charged Assets also has securities admitted to trading on the regulated |

market of the London Stock Exchange.

Governing Law:

Japanese.

DESCRIPTION OF THE REFERENCE ENTITY

The Issuer accepts responsibility for the following information as provided in the section of this Series Memorandum headed "Responsibility Statement". The following information and any other information contained in this Series Memorandum relating to the Reference Entity has been reproduced from publicly available information. None of the Arranger, the Trustee, the Swap Counterparty or any of the other Programme Parties has verified, or accepts any responsibility whatsoever for the accuracy or completeness of, such information and prospective investors in the Notes should make their own independent investigations and enquiries in respect thereof and into the Reference Entity.

| | |
|--|--|
| Name: | Whirlpool Corporation |
| Address: | 2000 North M-63, Benton Harbor, Michigan, 49022-2692. |
| Country of Incorporation: | Delaware, United States. |
| Description: | Whirlpool Corporation is a global kitchen and laundry company incorporated under the laws of Delaware. Whirlpool Corporation manufactures and markets major home appliances, and its principal products are laundry appliances (including commercial laundry appliances), refrigerators and freezers, cooking appliances, and dishwashers. |
| Name of Exchanges on which Securities issued by the Reference Entity are Listed: | New York Stock Exchange and Chicago Stock Exchange. |

ANNEX 1: FORM OF CONFIRMATION OF ASSET SWAP TRANSACTION

Date: 5 January 2023

To: ARLO II Limited (“**Party B**”)

From: Barclays Bank PLC (“**Party A**”)

Re: **Asset Swap Transaction**

The purpose of this communication, including the Exhibits hereto (the “**Asset Swap Confirmation**”), is to confirm the terms and conditions of the Asset Swap entered into between us on 5 January 2023 (the “**Transaction**”). This Confirmation constitutes a “Confirmation” as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in (i) the 2006 ISDA Definitions (as amended herein) as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) and (ii) the CDS Confirmation and (iii) the Agreement are incorporated into this Asset Swap Confirmation. In the event of any inconsistency between the 2006 ISDA Definitions, the CDS Confirmation, the Agreement and this Asset Swap Confirmation, this Asset Swap Confirmation will govern. References to “**Notes**”, a “**Condition**” in respect of the Notes and any other capitalised term that is used but not defined herein, or defined in the Agreement and shall have their respective meanings as defined in the Constituting Instrument.

This Asset Swap Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of 5 January 2023, as amended and supplemented from time to time (the “**Agreement**”), entered into by you and us by our execution of the Constituting Instrument dated 5 January 2023 (the “**Constituting Instrument**”), by and among the parties thereto for purposes of constituting the Series CLN 2022-24 JPY 3,000,000,000 Secured Limited Recourse Credit Linked Notes due 2026 (the “**Notes**”) of the Issuer under its Programme for the issue of Notes and the making of Alternative Investments (the “**Programme**”). Specific reference is made to the confirmation of credit default swap transaction (the “**CDS**”) dated 5 January 2023 (the “**CDS Confirmation**”), which also forms a part of, and is subject to, the Agreement.

Reference is also made to the EMIR Portfolio Reconciliation and Dispute Resolution Deed dated 31 January 2014 entered into between Party A and Party B (both, defined below), which sets out the terms of a portfolio reconciliation process and dispute resolution process applicable to, *inter alia*, this Transaction and a side letter dated the same date relating thereto.

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

1. **General Terms:**

| | |
|-----------------|---|
| Trade Date: | (i) For the purposes of the date on which the parties enter into this Transaction under Section 3.7 of the 2006 ISDA Definitions, 5 January 2023; |
| | (ii) for all other purposes relating to this Transaction, 9 December 2022. |
| Effective Date: | 5 January 2023. |
| Scheduled | As per the Scheduled Termination Date of the CDS. |

Termination Date:

Termination Date: Maturity Date of the Notes

Calculation Agent: Barclays Bank PLC.

Business Days: London, Tokyo and New York.

Business Day Convention: Modified Following (which shall apply to any date other than the Trade Date, Effective Date and the Scheduled Termination Date).

2. **Initial Exchange:**

On the Effective Date, Party B shall pay to Party A JPY 3,000,000,000 (the “**Initial Exchange Amount**”) and Party A shall deliver and/or transfer to, or to the order of, Party B the Initial Charged Assets (free and clear of all charges, liens and other encumbrances but together with the benefit of all rights and entitlements attaching thereto at any time after the date of delivery). It is a condition precedent to Party A’s obligation to deliver and/or transfer the Initial Charged Assets and to pay any Party A Payments that Party B has paid the Initial Exchange Amount on the Effective Date.

3. **Interim Exchanges:**

On the date that falls two Business Days following each date on which both Party A and Party B are notified by the Custodian of a Custodian Charge, if any, applied by the Custodian to the Cash Account, Party A shall pay to, or to the order of, Party B an amount equal to such Custodian Charge, provided that (a) as provided in the Conditions and the Custody Agreement, the Custodian shall only levy such Custodian Charge if the relevant overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority applicable to the Cash Account reaches or falls below zero; and (b) no amounts shall be payable by the Party A to Party B in relation to a Custodian Charge levied by the Custodian during the Extension Calculation Period (as defined in this Confirmation).

Pursuant to the Conditions and the Custody Agreement the Custodian Charge shall include any charges or fees that the Custodian may apply to the Cash Account in addition to any negative interest that may be chargeable as a result of any negative interest rate applicable to such account.

4. **Final Exchange:**

If there is no occurrence of any Early Redemption Event and/or an Automatic Issuer Option Exercise Event in respect of which the Notes become subject to redemption, the following exchange between Party A and Party B shall apply:

- (i) On the date that falls two Business Days prior to the Maturity Date and provided that the Notes are not subject to redemption as a result of Paragraph 25(B) (*Credit Event Redemption*) of the Conditions of the Notes, Party A shall pay to Party B an amount, subject to a minimum of zero, in the Note Currency equal to the aggregate Redemption Amount of the Notes and Party B shall (a) pay any amounts standing to the credit of the Cash Account(s) to or to the order of Party A, and (b) deliver any other Charged Assets (to the extent such Charged Assets will not be delivered pursuant to item (ii) below) to or to the order of Party A (and where such Charged Assets relate to Charged Asset proceeds of JGBs, such payment will be in JPY), in each case to the extent not required by Party B to discharge its obligations in respect of the Notes or otherwise paid or

delivered under the provisions hereof.

- (ii) On the date that falls one Business Day prior to the Scheduled Termination Date, Party B will deliver to Party A all the JGB Charged Assets (including any Charged Asset proceeds of JGBs constituting the Charged Assets).

Upon the occurrence of the Automatic Issuer Option Exercise Event on or prior to the Maturity Date, the following shall apply with respect to this Transaction:

- (i) provided that delivery of the Charged Assets (following an Event Determination Date) pursuant to paragraph B (*Credit Event Settlement*) of the CDS has not occurred on or prior to the date falling five Business Days after the Issuer Option Notice Date (the “**Issuer Optional Early Termination Date**”), the Issuer will deliver all the Charged Assets, to the Swap Counterparty and the Swap Counterparty will pay to the Issuer an amount in the Note Currency, subject to a minimum of zero, equal to the Issuer Optional Redemption Amount, respectively, on the Issuer Optional Early Termination Date; and
- (ii) if paragraph (i) above applies, then upon satisfaction of the delivery and payment obligations by the respective parties pursuant to paragraph (i) above, this Transaction shall be deemed to be terminated.

For the avoidance of doubt, following payment of the Issuer Optional Redemption Amount by the Swap Counterparty to the Issuer in accordance with the terms of this Issuer Optional Early Termination provision, such Issuer Optional Redemption Amount shall form part of the Charged Assets.

If this Transaction is terminated in accordance with the terms of this Issuer Optional Early Termination provision, no amount shall be payable by either party in respect of such termination and as of the Issuer Optional Early Termination Date, following the delivery and/or payment by the respective parties in accordance with the foregoing, each party shall be released from its respective future obligations and shall cease to have any further rights against the other party in respect of this Transaction.

5. **Fixed Amounts 2:**

Fixed Rate Payer 2: Party A.

Fixed Rate Payer (No. 2) Calculation Amount: Outstanding Principal Amount of the Notes.

Fixed Rate Payer 2 Payment Dates: Two Business Days prior to each Interest Payment Date as set out in the terms of the Notes, in each case, subject to adjustment in accordance with the Business Day Convention, the occurrence of an Event Determination Date, any Early Redemption Event and/or an Automatic Issuer Option Exercise Event and **provided that:**

- (a) the final Fixed Rate Payer 2 Payment Date in respect of any Fixed (No. 2) Amount shall fall no later than the Scheduled Termination Date, subject as provided in the further proviso below;
- (b) if an Event Determination Date occurs, the Fixed (No. 2)

Amount shall cease to accrue or be payable from (and including) such Event Determination Date (or, if there is no preceding Fixed Rate Payer 2 Payment Date, the Interest Commencement Date);

- (c) if a Note Event Notice Delivery Date (as defined in the CDS Confirmation) occurs, the Fixed (No. 2) Amount shall cease to accrue or be payable from (and including) the Fixed Rate Payer 2 Period End Date immediately preceding such Note Event Notice Delivery Date (or, if there is no preceding Fixed Rate Payer 2 Payment Date, the Interest Commencement Date);
- (d) if an Automatic Issuer Option Exercise Event occurs, the Fixed (No. 2) Amount shall cease to accrue or be payable from (and including) (i) the relevant Issuer Optional Redemption Date or (ii) to the extent a Potential Adjustment Event occurs, the relevant Credit Event Redemption Date or the relevant Issuer Optional Redemption Deferral Date (as the case may be);
- (e) if an Extraordinary Event occurs and no Event Determination Date has occurred on or prior to the Early Redemption Date, the Fixed (No.2) Amounts shall cease to accrue or be payable from (and including) the Fixed Rate Payer 2 Payment Date immediately preceding the occurrence of such Extraordinary Event (or, if there is no preceding Fixed Rate Payer 2 Payment Date, the Interest Commencement Date); and

provided further that if the Maturity Date of the Notes falls after the Scheduled Termination Date and either:

- (1) an Event Determination Date has not occurred on or prior to the Extension Date;
- (2) a Note Event Notice Delivery Date has not occurred on or prior to the Extension Date; or
- (3) an Extraordinary Event has not occurred on or prior to the Extension Date,

then, there shall be (i) an additional Fixed Rate Payer 2 Calculation Period (which shall be the period from, and including, the Scheduled Termination Date to, but excluding, the Maturity Date of the Notes) (such period, the “**Extension Calculation Period**”) and (ii) an additional Fixed Amount 2 payable on the date that is two Business Days prior to the Maturity Date of the Notes, shall be an amount equal to:

- (1) the portion of the Redemption Proceeds (as defined in the CDS Confirmation) attributable to a redemption of the Charged Assets credited to the relevant Cash Account; multiplied by

- (2) the Overnight Rate; multiplied by
- (3) a fraction, the numerator of which equals the actual number of days from, and including, the Scheduled Termination Date to, but excluding, the Extension Date, and the denominator of which is 360,

subject to a minimum of zero.

Fixed (No. 2) Amount: An amount equal to the product of:

- (i) Fixed Rate Payer (No.2) Calculation Amount;
- (ii) Fixed (No.2) Rate; and
- (iii) Fixed Rate (No.2) Day Count Fraction.

Fixed (No. 2) Rate: 0% per annum.

Fixed Rate (No. 2) Day Count Fraction: As per the Day Count Fraction under the Notes.

6. **Variable Amounts:**

- Periodic Payments:
- (i) On each Variable Amount Payment Date, Party B shall pay Party A the Variable Amount in respect of such Variable Amount Payment Date; and
 - (ii) on each respective Cash Account Interest Payment Date, Party B shall pay Party A an amount equal to the respective Cash Account Interest Amount accrued up to but excluding such Cash Account Interest Payment Date.

Variable Amount Payment Dates: The Business Day immediately following the Charged Assets Payment Date.

Charged Assets Payment Date: From and including the Effective Date, each date (without regard to any grace period or the satisfaction of any conditions precedent to the commencement of such grace period) upon which a payment of interest is stated to be due under any JGB Charged Assets held by Party B from time to time (for the avoidance of doubt, as may be adjusted pursuant to the terms of the Credit Support Annex) in accordance with the terms and conditions of such JGB Charged Assets in effect as at the Trade Date.

Variable Amounts: In respect of each Variable Amount Payment Date, the greater of (x) zero and (y) an amount in JPY equal to each payment of interest stated to be due on the immediately preceding Charged Assets Payment Date in respect of the relevant Charged Assets held by Party B from time to time (for the avoidance of doubt, as may be adjusted pursuant to the terms of the Credit Support Annex) in accordance with the terms and conditions of such Charged Assets in effect as at the later of (i) the Trade Date and (ii) the issue date of the relevant Charged Assets.

7. **Definitions:**

For the purposes hereof:

“ASW Unwind Costs” means an amount in the Note Currency (which shall be a positive amount if payable to Party A, and a negative amount if payable to Party B) determined by the Calculation Agent, in its sole and absolute discretion, applying such commercially reasonable procedures as it deems appropriate (without double counting), equal to the sum of (a) any loss, cost or expense (including, but not limited to, the loss of bargain, cost of funding, or any loss, costs or expenses in terminating, unwinding, liquidating, obtaining or re-establishing any hedge or related trading position (in whole or in part)) incurred (or which would be incurred if this Transaction was so terminated) as a result of terminating this Transaction early (in whole or in part) (which shall be a positive amount if payable to Party A, and a negative amount if payable to Party B), (b) any costs, fees, expenses and/or charges incurred (or expected to be incurred) by Barclays Bank PLC and/or any of its affiliates (in each case acting in any capacity), the Trustee and/or the Issuer (without duplication) in connection with (directly or indirectly) the early redemption of the Notes (in whole or part) and/or the delivery of the JGB Charged Assets to Party A and any other claims ranking in priority to the Noteholders pursuant to the priority of payments set out in Condition 4(d) (*Application*), including, without limitation, any brokers’ commissions, fees and expenses, any taxes of any nature, duties or stamp duties, any funding costs and any legal or other ancillary costs incurred by Party A or Party B as a consequence of such early termination, and (c) an amount by which the Note Currency Equivalent of the market value of the Reference Amount of the Charged Assets has decreased from the Trade Date to the Maturity Date (or, if earlier, the date upon which the Charged Assets are redeemed) which shall be determined by the Calculation Agent by reference to the respective Note Currency Equivalent of the market value of the Initial Reference Amount as at the Trade Date and the Maturity Date (or, if earlier, the date upon which the JGB Charged Assets are redeemed or such earlier date as designated by the Calculation Agent), provided that, for the purpose of determining (i) the Aggregate Note Redemption Amount and (ii) following the occurrence of a Specified Event, the Adjusted Notional Amount, the amount described in sub-paragraph (c) shall be deemed to be zero.

“Cash Account Balance” means the amount standing to the credit of a Cash Account from time to time including any interest thereon.

“Cash Account Interest Amount” means in respect of a Cash Account Interest Period, the amount of interest accrued on a Cash Account in respect of such period, as calculated in accordance with the methodology described in the Condition of the Notes, provided that such amount of accrued interest shall always be subject to a minimum of zero.

“Cash Account Interest Payment Date” means the first day of each month except that the first Cash Account Interest Payment Date shall fall on the first day of the month on which any Redemption Proceeds are credited to a Cash Account.

“Cash Account Interest Period” means the period beginning on (and including) one Cash Account Interest Payment Date to but excluding the next following Cash Account Interest Payment Date except that the final Cash Account Interest Period shall end on (but exclude) the Scheduled Termination Date.

An **“Early Redemption Date”** shall mean:

- (i) for the purposes of Paragraph 25(A) (*Note Redemption*):

- (a) with respect to an early redemption as a result of Paragraph 25(B) (*Credit Event Redemption*), the Auction Settlement Date or the Cash Settlement Date (as applicable);
- (b) with respect to a Put Option Exercise Event, the Put Option Redemption Date; and
- (c) with respect to a Note Redemption Event that is not a Put Option Exercise Event, a date specified by the Swap Counterparty in the Note Event Notice and shall be a date falling at least 5 Business Days after the date of the occurrence of such Note Redemption Event,

(the “**Initial Early Redemption Date**”), *provided however that*, in each case, if as of the close of business on the Business Day immediately preceding the Initial Early Redemption Date, the Sale Proceeds of all of the Charged Assets have not been received by the Custodian, on behalf of the Issuer, the Early Redemption Date shall be the Business Day immediately following the date on which the Issuer receives such amount; and

- (ii) with respect to an Extraordinary Event, the date that is in accordance with Condition 7(d) (*Redemption on termination of Charged Agreement*), Condition 7(b) (*Mandatory Redemption*) and/or Condition 9 (*Events of Default*) (as applicable, and as modified in respect of the Notes).

“**Early Redemption Event**” means the occurrence of any of the following events:

- (i) an Extraordinary Event; or
- (ii) a Note Redemption Event.

“**Extension Date**” has the meaning given to it in the CDS Confirmation.

“**Initial Charged Assets**” has the meaning ascribed to it in the Conditions of the Notes.

“**Note Currency Equivalent**” means, with respect to an amount denominated in the Note Currency, such amount and, in respect of an amount denominated in a currency other than the Note Currency, an amount determined by the Calculation Agent or the Determination Agent (as applicable) to be equal to such amount converted into the Note Currency at the rate determined by the Calculation Agent or the Determination Agent (as applicable) to be the prevailing exchange rate for converting such currency into the Note Currency for value on the date as of which the Note Currency Equivalent of such amount falls to be determined.

“**Reference Amount**” means (i) as of the Trade Date and Issue Date, the Initial Reference Amount, and (ii) at any other time, an amount in JPY equal to $(A \times B)/C$.

where:

“**A**” means the Initial Reference Amount;

“**B**” means the Outstanding Principal Amount of the Notes; and

“**C**” means the Principal Amount of the Notes.

8. **Additional Provisions:**

- A. Where an Early Termination Date is designated pursuant to the CDS as a result of the occurrence of a Note Redemption Event, an Early Termination Date shall automatically be designated in respect of this Transaction and shall be designated to be the same date as the Early Termination Date designated pursuant to the CDS. In such circumstances, this Transaction shall terminate in full in connection with the designation of such Early Termination Date but no amount shall be payable under or in respect of this Transaction on such Early Termination Date (whether pursuant to Section 6(e) of the Charged Agreement (as amended pursuant to the Constituting Instrument) or otherwise) save that this Transaction (and related termination) shall be taken into account in the determination of the Aggregate Note Redemption Amount payable pursuant to the CDS.
- B. Where an Event Determination Date is designated pursuant to the CDS, an Early Termination Date shall automatically be and shall be designated to be the same date as the Auction Settlement Date or the Cash Settlement Date (as the case may be). In such circumstances, this Transaction shall terminate in full in connection with the designation of such Early Termination Date but no amount shall be payable under or in respect of this Transaction on such Early Termination Date (whether pursuant to Section 6(e) of the Charged Agreement (as amended pursuant to the Constituting Instrument) or otherwise) save that this Transaction (and related termination) shall be taken into account in the determination of the Adjusted Notional Amount payable pursuant to the CDS.
- C. Unless the context otherwise requires, words in the singular include the plural, and words in the plural include the singular.
- D. Section 9(g) of the Agreement (Headings) applies to this Asset Swap Confirmation and the Exhibit hereto.
- E. With respect to any notice delivered to it by Party A, Party B shall deliver or arrange for the delivery of a copy thereof to any holder of the Notes, provided the delivery of or failure to deliver such copies to any such holder by or on behalf of Party B will not affect the effectiveness of such notices delivered by Party A to Party B.
- F. The Calculation Agent shall notify Party B in writing, as soon as reasonably practicable, of any calculations and/or determinations made pursuant to this Asset Swap Confirmation, provided the delivery of or failure to deliver such notices will not affect the effectiveness of any calculations or determinations made pursuant to this Asset Swap Confirmation. Calculations or determinations required to be made by the Calculation Agent, shall, unless expressly stated otherwise, be calculated or determined by the Calculation Agent in good faith and in its sole and absolute discretion, effective as of such determination, and shall be conclusive absent manifest error.

- G. Party B agrees that Party A may provide the details of any Transaction entered into pursuant to the Agreement (including any modification thereto or details of any termination of a Transaction whether in whole or in part) to a trade repository which collects and maintains the records of derivatives.
 - H. Save as otherwise provided herein, the Early Termination Amount in respect of any termination of this Transaction (in whole or in part) shall be calculated in accordance with Section 6(e) of the Agreement (as the same is amended pursuant to Clause 7(c) of the Constituting Instrument).
 - I. Any payments due to be made by Party A to Party B under this Transaction may be made by Party A to or to the order of Party B.
9. **Notice and Account** See Notice and Account Details in Exhibit I.
Details:

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Asset Swap Confirmation and returning it to us.

Yours sincerely,

BARCLAYS BANK PLC

By:
 Name:
 Title:

Confirmed on the date
 first above written:

ARLO II LIMITED

By:

EXHIBIT I
Notice and Account Details

Notices to Party A:

Barclays Bank PLC
Level 25
Tower 2, Marina Bay Financial Centre
Singapore 018983

Tel: +65 6308 3000
Attention: Head of Legal Asia Pacific

With a copy to:

Barclays Bank PLC
5 The North Colonnade
London, Greater London
E14 4BB, United Kingdom

Telephone No: +44 (0)20 7623 2323
Attention: Head of SPV – Investment Bank Middle Office
Email: xraSPVMO@barclayscapital.com
Attention: SPV Middle Office

Account Details of Party A:

EUR

Corr Bank: Barclays Bank Ireland Plc Frankfurt
Corr Swift: BARCDEFF
Bank: Barclays Bank Plc London
Swift: BARCGB22
A/C: Barclays Head Office SWAPS
IBAN no: GB 49 BARC 200000 78659111

GBP

Bank: Barclays Bk Plc, 54 Lombard Street, London
S/C: 20-00-00
A/C: Barclays Head Office SWAPS
A/C No: 00152021

USD

Bank: Barclays Bank Plc, New York
ABA No: 026-0025-74
Swift: BARCUS33
A/C: Barclays Bank Plc, London
A/C No: 050-01922-8

JPY

Bank: Sumitomo Mitsui Banking Corporation, Tokyo
Swift: SMBCJPJT
A/C: Barclays Bank PLC, Wholesale London
Swift: BARCGB5G
A/C No: 4835

Notices to Party B:

ARLO II Limited
PO Box 1093, Boundary Hall,
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands
Tel: (345) 945 7099
Fax: (345) 945 7100

Account Details of Party B:

JPY

Correspondent Bank: MUFG Bank, Ltd.
Correspondent Bank SWIFT: BOTKJPJT
Account Number: 653-0472026
The Bank of New York Mellon, London
Branch
Beneficiary Bank: IRVTGB2X
Beneficiary Bank SWIFT: ARLO II Limited CLN 2022 24 CUST
Final Beneficiary: ARLO II Limited CLN 2022 24 CUST
Final Beneficiary Account Number: 4407723920
Reference: ARLO II Series CLN 2022-24

ANNEX 2: FORM OF CONFIRMATION OF CREDIT DEFAULT SWAP TRANSACTION

Date: 5 January 2023

To: ARLO II Limited

From: Barclays Bank PLC

Re: **Credit Swap Transaction**

The purpose of this communication, including the Exhibits hereto (the “**CDS Confirmation**”), is to confirm the terms and conditions of the Credit Derivative Transaction entered into between us on 5 January 2023 (the “**Transaction**”). This CDS Confirmation constitutes a “Confirmation” as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions and the 2014 ISDA Credit Derivatives Definitions, each as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) and the 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (published on July 15, 2019) (collectively, the “**Credit Derivatives Definitions**”) are incorporated into this CDS Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions, the 2006 ISDA Definitions and this CDS Confirmation, this CDS Confirmation will govern.

This CDS Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of 5 January 2023, as amended and supplemented from time to time (the “**Agreement**”), entered into by you and us by our execution of the Constituting Instrument dated 5 January 2023 (the “**Constituting Instrument**”), by and among the parties thereto for purposes of constituting the Series CLN 2022-24 JPY 3,000,000,000 Secured Limited Recourse Credit Linked Notes due 2026 (the “**Notes**”) of the Issuer under its Programme for the issue of Notes and the making of Alternative Investments (the “**Programme**”). Specific reference is also made to the confirmation of ASW dated 5 January 2023 (the “**Asset Swap Confirmation**”), which also constitutes a “Confirmation” as referred to in the Agreement. All provisions contained in the Agreement govern this CDS Confirmation except as expressly modified below. All terms defined in the Agreement and not otherwise defined herein shall have the meanings assigned in the Agreement and/or the Asset Swap Confirmation. References to “**Notes**”, a “**Condition**” in respect of the Notes and any other capitalised term that is used but not defined herein, the Agreement or the Credit Derivatives Definitions shall have their respective meanings as defined in the Constituting Instrument.

Reference is also made to the EMIR Portfolio Reconciliation and Dispute Resolution Deed dated 31 January 2014 entered into between the Seller and the Buyer (both, defined below), which sets out the terms of a portfolio reconciliation process and dispute resolution process applicable to, *inter alia*, this Transaction and a side letter dated the same date relating thereto.

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

1. **General Terms:**

- Trade Date: (i) For the purposes of the date on which the parties enter into this Transaction under Section 3.7 of the 2006 ISDA Definitions and under Section 1.13 of the Credit Derivatives Definitions, 5 January 2023;

- (ii) For all other purposes of the Credit Derivatives Definitions (including, but not limited to, Section 1.16 and Section 1.23 of the Credit Derivatives Definitions (as amended by this CDS Confirmation)) or otherwise relating to this Transaction, 9 December 2022.

Effective Date: 5 January 2023.

Scheduled Termination Date: 26 January 2026.

Extension Date: The later to occur of (a) the last applicable day specified in the definition of Notice Delivery Period and (b) (i) the date that is 14 calendar days after the DC Credit Event Announcement, (ii) the DC No Credit Event Announcement (as defined in the Credit Derivatives Definitions), and (iii) the day that is 3 Business Days following the date that is 14 calendar days after the DC Credit Event Question Dismissal, in each case provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date).

Unless otherwise specified, Section 1.40 (*Extension Date*) of the Credit Derivatives Definitions shall be amended accordingly.

Floating Rate Payer: ARLO II Limited (“**Seller**”).

Fixed Rate Payer: Barclays Bank PLC (“**Buyer**”).

Calculation Agent: Barclays Bank PLC.

Calculation Agent City: New York.

Business Days: London, Tokyo and New York.

Business Day Convention: Modified Following (which shall apply to any date other than the Trade Date, Effective Date, Credit Event Backstop Date, Successor Backstop Date and the Scheduled Termination Date).

Transaction Type: Standard North American Corporate.

Reference Entity: Whirlpool Corporation and any Successors.

Standard Reference Obligation: Applicable.

Seniority Level: Senior.

Reference Obligation: In respect of the Reference Entity,

(i) for the purposes of “Settlement Terms” in paragraph 4 below and Article VII of the Credit Derivatives Definitions, an obligation of the Reference Entity (either directly or as provider of a

guarantee) selected by the Swap Counterparty in its sole discretion satisfying the definition of Deliverable Obligation in accordance with Section 3.2 of the Credit Derivatives Definitions; for which purpose the Deliverable Obligation Category and the Deliverable Obligations Characteristics specified herein apply; and which for the avoidance of doubt shall include an obligation of the Reference Entity determined in accordance with Section 2.5 of the Credit Derivatives Definitions; and

(ii) for all other purposes (including for the purposes of Section 3.2 of the Credit Derivatives Definitions), an obligation of the Reference Entity (either directly or as provider of a guarantee) determined in accordance with Section 2.5 of the Credit Derivatives Definitions.

Original Non-Standard Reference Obligation:

The obligation identified as follows:

Obligor: Whirlpool Corporation

Guarantor: Not Applicable

Maturity: 26 February 2029

Coupon: 4.75% per annum

ISIN: US963320AW61

All Guarantees: Not Applicable.

Financial Reference Entity Terms: Not Applicable.

Reference Price: 100 per cent.

Non-Standard Event Determination Date: Applicable.

Monoline Provisions: Not Applicable.

2. **A. Fixed Payments:**

Fixed Amount:

Periodic Payments: With respect to each Buyer Calculation Period under this paragraph 2, Buyer will pay on the Buyer Payment Date in respect of such Buyer Calculation Period the Buyer Payment Amount.

Buyer Period End Dates: 26 January and 26 July in each year from (and including) 26 July 2023 to (and including) the Scheduled Termination Date.

Buyer Payment: Fixed Amount.

Amount:

Buyer Payment Date: As per the Fixed Rate Payer 2 Payment Date under the Asset Swap Confirmation (provided that if an Event Determination Date occurs, two Business Days prior to the Maturity Date of the Notes shall be the final Buyer Payment Date).

Buyer Calculation Period: The period from (and including) a Buyer Period End Date (or in respect of the first Buyer Calculation Period, the Interest Commencement Date) to (but excluding) the next (or first) Buyer Period End Date.

Fixed Rate Calculation Amount: Floating Rate Payer Calculation Amount.

Fixed Rate: 0.75 per cent. per annum.

Fixed Rate Day Count Fraction: As per the Fixed Rate (No. 2) Day Count Fraction in the ASW.

Fixed Amount: With respect to each Buyer Calculation Period (other than the Extension Calculation Period), an amount in JPY determined by the Calculation Agent equal to:

- (1) the Fixed Rate Calculation Amount; multiplied by
- (2) the Fixed Rate; multiplied by
- (3) the Fixed Rate Day Count Fraction,

provided that:

- (a) the final Buyer Period End Date in respect of any Fixed Amount shall fall no later than the Scheduled Termination Date, subject as provided in the further proviso below; and
- (b) if an Event Determination Date occurs, the Fixed Amount shall cease to accrue or be payable from (and including) such Event Determination Date (or, if there is no preceding Buyer Period End Date, the Interest Commencement Date);
- (c) if a Note Event Notice Delivery Date occurs, the Fixed Amount shall cease to accrue or be payable from (and including) the Buyer Period End Date immediately preceding such Note Event Notice Delivery Date (or, if there is no preceding Buyer Period End Date, the Interest Commencement Date);
- (d) if an Automatic Issuer Option Exercise Event occurs, the Fixed Amount shall cease to accrue or be payable from (and including) (i) the relevant Issuer Optional Redemption Date or (ii) to the extent a Potential Adjustment Event occurs, the relevant Credit Event Redemption Date or the relevant Issuer Optional Redemption Deferral Date (as the case may be);
- (e) if an Extraordinary Event occurs and no Event Determination Date has occurred on or prior to the Early Redemption Date, the Fixed Amount shall cease to accrue or be payable from (and including) the Buyer Period End Date

immediately preceding the occurrence of such Extraordinary Event (or, if there is no preceding Buyer Period End Date, the Interest Commencement Date); and

provided further that if there is an Extension Date and either:

- (1) an Event Determination Date has not occurred on or prior to the Extension Date;
- (2) a Note Event Notice Delivery Date has not occurred on or prior to the Extension Date; or
- (3) an Extraordinary Event has not occurred on or prior to the Extension Date,

then, with respect to the applicable Buyer Calculation Period (which shall be the Extension Calculation Period (as defined in the Asset Swap Confirmation), the Fixed Amount shall be an amount equal to zero.

B. Floating Rate:

Floating Rate Payer Calculation Amount: Outstanding Principal Amount of the Notes.

3. **Seller Payments:**

Conditions to Settlement: Credit Event Notice.

Notifying Party: Buyer.

Notice of Publicly Available Information: Applicable.

Public Sources: As specified in Section 1.36.

Specified Number: Two.

Credit Events: Bankruptcy.
Failure to Pay.

Credit Deterioration Requirement: Applicable.

Fallback Discounting: Applicable.

Grace Period Extension: Not Applicable.

Obligations: The Reference Obligation and any other obligation of the Reference Entity (either directly or as provider of any Relevant Guarantee or, if All Guarantees is specified as applicable, as provider of any Qualifying Guarantee) as described in accordance with the Obligation Category and Obligation Characteristics set out below.

Obligation Category: Borrowed Money.

Obligation Characteristics: None.

Excluded Obligations: None.

4. **Settlement Terms:**

Settlement Method: For purposes of the Credit Derivatives Definitions, Auction Settlement shall apply, provided however that Section 6.1 of the Credit Derivatives Definitions shall be amended (i) by the deletion of the words "Seller shall, subject to Section 5.1, pay to Buyer" and the insertion of the words "Buyer shall, subject to Section 5.1, pay to Seller" in the first sentence thereof; and (ii) in lieu of the payment of any Auction Settlement Amount, the Buyer shall instead pay to the Seller an amount equal to the Adjusted Notional Amount.

For the avoidance of doubt, if more than one set of Deliverable Obligation Terms are published by the DC Secretary in respect of the Credit Derivatives Auction Settlement Terms relating to the Reference Entity, the relevant Auction for the purposes of determining the Auction Final Price shall be the Auction (if any) in respect of which the Deliverable Obligation Terms require that the relevant obligations be Not Subordinated to obligations which are of the same seniority as the Reference Obligation.

Fallback Settlement Method: Cash Settlement, provided however that Section 7.1 of the Credit Derivatives Definitions shall be amended (i) by the deletion of the words "Seller shall, subject to Section 5.1, pay to Buyer" and the insertion of the words "Buyer shall, subject to Section 5.1, pay to Seller" in the penultimate line thereof; and (ii) in lieu of the payment of any Cash Settlement Amount, the Buyer shall instead pay to the Seller an amount equal to the Adjusted Notional Amount.

Terms Relating to Auction Settlement:

Auction Settlement Amount: In respect of the Reference Entity, an amount equal to the greater of (i) (a) the Initial Notional Amount multiplied by (b) the Reference Price minus the Auction Final Price for the Reference Entity and (ii) zero.

Auction Settlement Date: Five (5) Business Days following the Auction Final Price Determination Date.

Auction Final Price: Auction Final Price (expressed as a percentage) has the meaning set forth in the Transaction Auction Settlement Terms in respect of the Reference Entity.

**Terms Relating to
Cash Settlement:**

Cash Settlement Amount: In respect of the Reference Entity, an amount equal to the greater of (i) (a) the Initial Notional Amount multiplied by (b) the Reference Price minus the Final Price for the Reference Entity and (ii) zero.

Final Price: In respect of the Reference Obligation, the price of such Reference Obligation (expressed as a percentage) which shall be determined by the Calculation Agent in its sole and absolute discretion in accordance with the specified Valuation Method.

References in Section 7.7(b) to a party that is not the Calculation Agent seeking Quotations shall be deleted.

CDS Unwind Costs: An amount in the Note Currency (which shall be a positive amount if payable to the Buyer, and a negative amount if payable to the Seller) determined by the Calculation Agent, in its sole and absolute discretion, applying such commercially reasonable procedures as it deems appropriate (without double counting), equal to the Note Currency Equivalent of the sum of (a) any loss, cost or expense (including, but not limited to, the loss of bargain, cost of funding, or any loss, costs or expenses in terminating, unwinding, liquidating, obtaining or re-establishing any hedge or related trading position (in whole or in part)) incurred (or which would be incurred if this Transaction was so terminated) as a result of terminating this Transaction (in whole or in part) early (which shall be a positive amount if payable to the Buyer, and a negative amount if payable to the Seller), (b) any costs, fees, expenses and/or charges incurred (or expected to be incurred) by Barclays Bank PLC and/or any of its affiliates (in each case acting in any capacity), the Trustee and/or the Issuer (without duplication) in connection with (directly or indirectly) the early redemption of the Notes (in whole or part) and/or the delivery of the JGB Charged Assets to the Buyer and any other claims ranking in priority to the Noteholders pursuant to the priority of payments set out in Condition 4(d)(Application), including, without limitation, any brokers' commissions, fees and expenses, any taxes of any nature, duties or stamp duties, any funding costs and any legal or other ancillary costs incurred by the Seller or the Buyer as a consequence of such early termination and (c) an amount by which the Note Currency Equivalent of the market value of the Reference Amount of the JGB Charged Assets has decreased from the Trade Date to the Maturity Date (or, if earlier, the date upon which the JGB Charged Assets are redeemed or such earlier date as designated by the Calculation Agent) determined by Calculation Agent, provided that, for the purposes of determining (i) the Note Redemption Amount and (ii) following the occurrence of a Specified Event, the Adjusted Notional Amount, the amount described in sub-paragraph (c) shall be deemed to be zero.

Cash Settlement In respect of the Reference Entity, the date which is five (5) Business Days following the date upon which the Cash

| | |
|------------------------------------|---|
| Date: | Settlement Amount in respect of the Reference Entity is determined. |
| Valuation Date: | <p>Single Valuation Date. The Valuation Date shall be a Business Day selected by Buyer that is at least five (5) Business Days after the occurrence of an Auction Cancellation Date, a No Auction Announcement Date or such other date as referred to in Section 6.1 of the Credit Derivatives Definitions (as the case may be) upon which it is determined that the Fallback Settlement Method shall apply.</p> <p>References in the Credit Derivatives Definitions to “Physical Settlement” or to “Delivery Date” shall be deemed to be references to the relevant Valuation Date.</p> |
| Valuation Time: | A time specified by the Calculation Agent as close as reasonably practicable to 11:00 a.m. in the relevant Calculation Agent City unless the Calculation Agent determines the principal market for transactions in the relevant Reference Obligation is closed at such time, in which case the Valuation Time shall be such other time selected by the Calculation Agent. |
| Quotation Method: | Bid. |
| Quotation Amount: | In respect of a Reference Obligation, an amount specified by the Calculation Agent not in excess of the greater of (i) the Initial Notional Amount of such Reference Obligation, and (ii) 1,000,000 units of the Settlement Currency (or, if Japanese Yen, 100,000,000 units of the currency) (or if such Reference Obligation is not denominated in the Settlement Currency, the equivalent of such amount in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained). |
| Quotations: | Exclude Accrued Interest. |
| Dealers: | Dealers, financial institutions or funds that deal or invest in obligations of the type for which Quotations are to be obtained, as selected by and exclusive of Buyer. Neither the Buyer nor any of its affiliates shall be eligible to provide bid quotations. |
| Settlement Currency: | The currency in which the Floating Rate Payer Calculation Amount is denominated. |
| Valuation Method: | Highest. |
| | The phrase “with only one Valuation Date” shall be deleted in Section 7.5(a). Section 7.5(b) of the Credit Derivatives Definitions shall not apply. |
| 60 Business Day Cap on Settlement: | Not Applicable. |

A. Note Settlement

If a Note Redemption Event occurs (regardless of whether or not it is continuing) and the Swap Counterparty or the Determination Agent delivers a Note Event Notice (or, in the case of a Note Redemption Event that is a Put Option Exercise Event, a Note Event Notice is deemed to have been delivered) to the Issuer, amongst others, then in each case the following provisions shall apply.

For the avoidance of doubt, in the case of any Note Redemption Event, any failure or delay to deliver a Note Event Notice by or on behalf of the Buyer shall not constitute a waiver of Buyer's right to deliver such a notice in respect of the relevant Note Redemption Event, any other Note Redemption Event.

- (i) Following the date upon which the Note Event Notice is delivered or deemed delivered (the "**Note Event Notice Delivery Date**"), Buyer shall promptly deliver a notice to Seller setting out its choice and designating the Early Termination Date (an "**Early Termination Notice**") (provided that, in the case of a Note Redemption Event that is a Put Option Exercise Event, an Early Termination Notice shall be deemed to have been delivered and the Early Termination Date shall be the applicable Put Option Redemption Date);
- (ii) upon receipt (or deemed receipt) by Seller of an Early Termination Notice from Buyer, Seller shall take reasonable efforts to deliver and/or pay the Charged Assets (together with the Cash Account Balance, if any), or to procure that the Charged Assets (together with the Cash Account Balance, if any) are delivered and/or paid to, or to the order of, Buyer on or prior to the Early Termination Date (free and clear of all charges, liens and other encumbrances but together with the benefit of all rights and entitlements attaching thereto at any time after the date of delivery). Any stamp duty or other tax, levy or duty and any other costs and expenses payable in respect of the delivery of the Charged Assets shall be the responsibility of, and payable by, Buyer and such delivery shall be subject to payment of the same by Buyer;
- (iii) if, despite the reasonable efforts of Seller, any of such Charged Assets have not been delivered to Buyer on or prior to the Early Termination Date or the Calculation Agent determines in its sole discretion that it is not practicable to deliver all or part of the Charged Assets to Buyer, whether by reason of any transfer restriction on the securities in question or the nature or status of Buyer or for any other reason, Seller shall be obliged to use its reasonable endeavours to procure such delivery as soon as practicable thereafter;
- (iv) provided that the Charged Assets (and the Cash Account Balance, if any) have been delivered and/or paid to Buyer on or prior to the Early Termination Date, Buyer shall pay to Seller an amount equal to the Aggregate Note Redemption Amount on the Early Termination Date (and, in such circumstances, notwithstanding any other provisions of the Charged Agreement, no Early Termination Amount determined pursuant to Section 6(e) of the Charged Agreement (as the same may have been amended pursuant to the Charged Agreement) shall be payable). If the Charged Assets have not been delivered to Buyer on or prior to the Early Termination Date, Buyer shall pay to Seller an amount equal to the Aggregate Note Redemption Amount following receipt of the Charged Assets from Seller pursuant to sub-paragraph (iii) above; and

- (v) following satisfaction of Buyer's and Seller's respective payment and delivery obligations pursuant to sub-paragraphs (ii) and (iv) above, the Early Termination Date shall be the Termination Date and no further amounts shall be paid by either Buyer or Seller.

B. Credit Event Settlement

If an Event Determination Date occurs on or prior to the later of: (a) the Scheduled Termination Date and (b) the Extension Date (and is not otherwise deemed not to have occurred) with respect to the Reference Entity, the following provisions shall apply:

- (i) on or after the Event Determination Date and on demand of Buyer, Seller shall take reasonable efforts to deliver and/or pay the Charged Assets (together with the Cash Account Balance, if any), or to procure that the Charged Assets (together with the Cash Account Balance, if any) are delivered and/or paid, to or to the order of Buyer on or prior to the Auction Settlement Date or the Cash Settlement Date (as the case may be) (free and clear of all charges, liens and other encumbrances but together with the benefit of all rights and entitlements attaching thereto at any time after the date of delivery). Any stamp duty or other tax, levy or duty and any other costs and expenses payable in respect of the delivery of the Charged Assets shall be the responsibility of, and payable by, Buyer and such delivery shall be subject to payment of the same by Buyer;
- (ii) if, despite the reasonable efforts of Seller, any of such Charged Assets have not been delivered to Buyer by the Auction Settlement Date or the Cash Settlement Date (as the case may be) or the Calculation Agent determines in its sole discretion that it is not practicable to deliver all or part of the relevant Charged Assets to Buyer, whether by reason of any transfer restriction on the securities in question or the nature or status of Buyer or for any other reason, Seller shall be obliged to use its reasonable endeavours to procure such delivery as soon as practicable thereafter;
- (iii) on the Auction Settlement Date or the Cash Settlement Date (as the case may be), provided that the relevant Charged Assets (and the Cash Account Balance, if any) have been delivered and/or paid to Buyer, Buyer shall pay to Seller an amount equal to the Adjusted Notional Amount; and
- (iv) following satisfaction of Buyer's and Seller's respective payment and delivery obligations pursuant to sub-paragraphs (i) and (iii) above, the Auction Settlement Date or the Cash Settlement Date (as the case may be) shall be the Termination Date and no further amounts shall be paid by either Buyer or Seller.

C. Definitions

For the purposes hereof:

"Adjusted Notional Amount" means:

- (a) if a Specified Event has not occurred, an amount equal to the greater of (i) zero and (ii)(A) the Initial Notional Amount *minus* (B) the Auction Settlement Amount or Cash Settlement Amount, as applicable, *minus* (C) the Extension Calculation Period Amount (to the extent applicable and if any) *minus* (D) ASW Unwind Costs (as defined in the Asset Swap Confirmation) *minus* (E) CDS Unwind Costs; or

- (b) if a Specified Event has occurred, an amount equal to the greater of (i) zero and (ii)(A) Issuer Optional Redemption Amount *minus* (B) the Auction Settlement Amount or Cash Settlement Amount (as applicable) *minus* (C) to the extent an Extension Calculation Period is in effect, the Extension Calculation Period Amount *minus* (D) ASW Unwind Costs *minus* (E) CDS Unwind Costs.

“Aggregate Note Redemption Amount” means an amount in the Note Currency Equivalent equal to the Note Currency Equivalent of the market value of the JGB Charged Assets with a principal amount equal to the principal amount outstanding of the Notes (where such determination of market value shall take into account the value of any proceeds of redemption that would actually have been received as at the date of determination of the Aggregate Note Redemption Amount (if any) by a holder of such principal amount of JGB Charged Assets) as determined by the Calculation Agent in its sole and absolute discretion:

- (a) less, and only to extent an Extension Calculation Period is in effect, the Extension Calculation Period Amount (as determined under the Asset Swap Confirmation); and
- (b) less the Costs, if Costs are a positive amount deemed payable to Buyer; or
- (c) plus the absolute value of the Costs, if Costs are a negative amount deemed payable by the Buyer.

and provided that, (A) the Aggregate Note Redemption Amount shall not exceed the Aggregate Maximum Redemption Amount; and (B) if the Aggregate Note Redemption Amount is an amount less than zero, the Aggregate Note Redemption Amount shall be deemed to be zero and no Aggregate Note Redemption Amount shall be payable.

“Cash Settlement Amount” means the “Cash Settlement Amount” as determined by the Calculation Agent in accordance with Paragraph 4.

“Cash Settlement Date” has the meaning ascribed to it in Paragraph 4.

“CDDC Rules” means the Credit Derivatives Determinations Committees Rules as made available on the website of the Credit Derivatives Determinations Committees at www.cdsdeterminationscommittees.org/ (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

“Charged Assets” has the meaning ascribed to it in the Conditions of the Notes.

“Costs” means the aggregate of the ASW Unwind Costs (as defined in this Asset Swap Confirmation) and the CDS Unwind Costs, calculated without duplication.

“Credit Derivatives Auction Settlement Terms” means any Credit Derivatives Auction Settlement Terms published by the DC Secretary, a form of which will be published by the DC Secretary on its website at www.cdsdeterminationscommittees.org/ (or any successor website thereto) from time to time and may be amended from time to time in accordance with the CDDC Rules.

“Credit Event Notice” means an irrevocable notice from the Swap Counterparty (which may be in writing (including by facsimile and/or email and/or telephone)) to the Issuer that describes a Credit Event that occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and, on or prior to the Extension Date

(as defined in the Credit Derivatives Definitions without such amendment or modification made thereto as set out in the CDS Confirmation, and determined by reference to Greenwich Mean Time). To the extent that the CDS Confirmation specified Repudiation/Moratorium as a Credit Event, then any Credit Event Notice that describes a Credit Event that occurred after the Scheduled Termination Date must relate to the relevant Repudiation/Moratorium.

“DC Credit Event Announcement” has the meaning ascribed to it in Section 1.28 of the Credit Derivatives Definitions and for the purposes of such definition, the definition of Extension Date shall have the meaning ascribed to it in the Credit Derivatives Definitions without such amendment or modification made thereto as set out in the CDS Confirmation.

“DC Secretary” has the meaning set forth in the CDDC Rules.

“Deliverable Obligation Category” means Bond or Loan.

“Deliverable Obligation Characteristics” means Not Subordinated, Specified Currency, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity: 30 years, Not Bearer.

“Determination Agent” means the determination agent appointed under the Conditions of the Notes.

“Early Termination Date” means the date that is specified as such by Buyer in its Early Termination Notice, and where it is specified following a Note Event Notice Delivery Date, such date shall be at least five Business Days following the Business Day falling after the corresponding Note Event Notice Delivery Date.

“Extension Notice” means an irrevocable notice (which may be oral including by telephone) from the Buyer to the Seller, the Interest Calculation Agent and the Paying Agent given on or prior to the Scheduled Termination Date specifying that the Buyer has determined in its sole and absolute discretion that the Reference Entity (or any Obligations in respect thereof) may be subject to a Credit Event. An Extension Notice is effective when given and if given after 4.00 p.m. New York time on a Business Day will be deemed given on the next Business Day.

“Initial Notional Amount” means an amount equal to the Floating Rate Payer Calculation Amount.

“JGB Charged Assets” has the meaning ascribed to it in the Conditions of the Notes.

“Note Currency Equivalent” means, with respect to an amount denominated in the Note Currency, such amount and, in respect of an amount denominated in a currency other than the Note Currency, an amount determined by the Interest Calculation Agent or the Determination Agent or the Calculation Agent under the Charged Agreement (as applicable) to be equal to such amount converted into the Note Currency at the rate determined by the Interest Calculation Agent or the Determination Agent or the Calculation Agent under the Charged Agreement (as applicable) to be the prevailing exchange rate for converting such currency into the Note Currency for value on the date as of which the Note Currency Equivalent of such amount falls to be determined.

“Note Event Notice” means a notice delivered by the Swap Counterparty to the Issuer, on or prior to the Scheduled Termination Date, specifying the occurrence of a Note Redemption Event.

“Note Redemption Event” means the occurrence of any of the following at any time from and including 9 December 2022 and on or prior to the Scheduled Termination Date:

- (i) a Regulatory Event;
- (ii) a Note Tax Event and/or Charged Assets Tax Event;
- (iii) the Notes being subject to redemption due to Condition 7(d) (*Redemption on termination of Charged Agreement*) and shall only apply to the Notes if the Charged Agreement is terminated in whole but not in part (and other than in consequence of (a) Condition 7(j) (*Purchase*), (b) Condition 7(k) (*Exchange of Series*), (c) any other Note Redemption Event and/or Extraordinary Event (including in respect of an Extraordinary Event that is a Swap Counterparty Default) or (d) a Credit Event);
- (iv) a Bond Event of Default; or
- (v) a Put Option Exercise Event,

where for the avoidance of doubt, following the occurrence of a Note Redemption Event, the Notes will be redeemed pursuant to Paragraph 25(A) (*Note Redemption*) of the Terms of the Notes notwithstanding anything to the contrary in Condition 7, and the Conditions shall be construed accordingly, and further where:

“Bond Event of Default” means the occurrence of any of the following (or such event or condition which with notice or lapse of time or both would constitute any of the following):

- (i) the failure of the issuer of the JGB Charged Assets, uncured after 5 business days (as provided for in the terms and conditions of the Relevant Debt), to pay interest on the Relevant Debt on its originally scheduled payment date as specified in accordance respectively (a) the terms and conditions of the JGBs in effect as at the Trade Date (as may be further described in the relevant offering documents in respect of the JGBs) or (b) the terms and condition of any Relevant Debt (other than JGB Charged Assets) in effect as of the later of (i) the Trade Date and (ii) the issue date of such other Relevant Debt (on such terms and conditions relating to the Relevant Debt in effect on the specified date), and in each case disregarding any subsequent amendments thereto (each such relevant terms and conditions being the **“Applicable Terms and Conditions”**), but in each case disregarding any grace period (whether or not provided for under the Applicable Terms and Conditions);
- (ii) the failure of the issuer of the JGB Charged Assets to pay the stated principal amount of the Relevant Debt on its respective applicable scheduled legal maturity date (or its equivalent) in accordance with the Applicable Terms and Conditions but in each case disregarding any grace period (whether or not provided for under the Applicable Terms and Conditions);
- (iii) the issuer of the JGB Charged Assets (a) failure to perform any covenant and/or (b) violation of any negative pledge or covenant, in each case under the Applicable Terms and Conditions of the Relevant Debt or, without duplication, those contained or described in the offering document (howsoever described) of the JGBs;
- (iv) the occurrence of certain events of bankruptcy, insolvency, winding up, liquidation (whether voluntary or otherwise), rehabilitation or reorganisation (or any event that has the analogous effect of these foregoing events under the applicable

laws of any jurisdiction) of the issuer of the JGB Charged Assets;

(v) any mandatory, optional or other early redemption event occurs under the JGBs or the JGBs are redeemed (in part or in full) for any reason prior to the applicable scheduled legal maturity date (or its equivalent) as specified in the Applicable Terms and Conditions, including without limitation as a result of a tax event, change in tax law or imposition of withholding or other charge or duty that was not in effect as of the Trade Date without giving effect to any subsequent amendments thereof;

(vi) the occurrence of either of the following events: the issuer of the JGB Charged Assets (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, its obligations under the Relevant Debt or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to the relevant obligations under any Relevant Debt;

(vii) any actual or proposed restructuring or similar event in respect of any Relevant Debt (A) which has taken effect and/or (B) in respect of which the Issuer and/or any Agent has notice, including, in each case and without limitation, any amendment, modification and/or supplement to the Applicable Terms and Conditions of any Relevant Debt resulting in (1) the reduction of any principal, premium, interest or any other amounts payable or accruing thereunder (including by way of redenomination), (2) any change in the dates for the payment of any amounts contemplated under item (1) herein, (3) any change of identity of any actual or contingent obligor in respect thereof, (4) any change in the ranking in priority of payments in respect thereof, (5) any change in currency of any amount payable in respect thereof, and/or (6) any release or change in respect of any security relating to the obligations whether actual or contingent of any obligor in respect of any Relevant Debt;

(viii) on the due date for any payment in respect of the JGBs, a withholding, deduction or account is made in respect of any payment due to the Issuer in respect of the JGBs for any reason;

(ix) any bonds, debentures, notes or other indebtedness for money borrowed of the issuer of the JGB Charged Assets becomes prematurely repayable following a default or steps are taken to enforce any security therefor; and/or

(x) any guarantee provided or purported to be provided in respect of the Relevant Debt is not (or is claimed not to be) or ceases to be in full force and effect or there has been a discharge of any actual or contingent payment obligation or liability under the guarantee other than a discharge arising solely from a full, valid and effective payment to holders of the Relevant Debt or there is any failure to comply with the terms of such guarantee (including without limitation any payment obligations thereunder or in relation thereto) as in effect or purported effect at the later of the Trade Date and the date that such guarantee was provided or purported to be provided and in each case disregarding any subsequent amendments thereto,

each as determined by the Determination Agent or the Calculation Agent under the Charged Agreement, in either case in its sole and absolute discretion.

“Notice Delivery Period” means the period from and including the Trade Date, to and including a day that is three (3) Business Days following the date that is 14 calendar days after the later of the Scheduled Termination Date and Extension Date (as defined in the Credit Derivatives Definitions without such amendment or modification made thereto as

set out in the CDS Confirmation). Section 1.23 (*Notice Delivery Period*) of the Credit Derivatives Definitions shall be amended accordingly.

“Redemption Proceeds” means any proceeds in any applicable currency from a redemption in respect of the Charged Assets in accordance with the terms and conditions of such Charged Assets.

“Relevant Debt” means (a) any of the JGBs and (b) all other debt of the issuer of the JGB Charged Assets which ranks in priority of payment on a *pari passu* basis with such Charged Assets.

“Replacement Charged Assets” has the meaning ascribed to it in the Conditions of the Notes.

“Transaction Auction Settlement Terms” means the Credit Derivatives Auction Settlement Terms applicable to the Reference Entity and obligations of the Reference Entity that are Not Subordinated to obligations which are of the same seniority as the Reference Obligation and for which this Transaction would be an “Auction Covered Transaction” (where for the avoidance of doubt, for such purpose in relation to the definition of “Auction Covered Transaction”, this Transaction shall meet the criteria outlined in paragraph (b) of the definition of “Covered Non-Swaption Transaction” (as defined in such Transaction Auction Settlement Terms) relating to “Auction Settlement” being the applicable Settlement Method).

5. **Specific Amendments to Credit Derivatives Definitions:**
- A. The Credit Derivatives Definitions are amended as follows:
 - (a) The phrases “in consultation with the parties” and “after consultation with the parties” shall be deleted in wherever they appear in the Credit Derivatives Definitions.
 - (b) Section 1.36 is amended by inserting at the end thereof the following:

“and such other published or electronically displayed news or information sources as are referred in any Notice of Publicly Available Information”.
 - (c) Section 2.2(n) is amended:
 - (i) by deleting Section 2.2(n)(ii) and replacing it by “in respect of each New Credit Derivative Transaction, the Floating Rate Payer Calculation Amount, if any, and the Cash Settlement Amount will be the Floating Rate Payer Calculation Amount and the Cash Settlement Amount, as applicable, of the original Credit Derivative Transaction divided by the number of Successors; and”.
 - (ii) by adding a new Section 2.2(n)(iv) as follows:

“(iv) the Calculation Agent shall make such other conforming and consequential changes to the Notes as it shall deem appropriate, in its sole and

absolute discretion, to preserve as closely as reasonably practicable the economic effects of the original Credit Derivative Transaction in the New Credit Derivative Transactions including, without limitation, the amendment of Condition 7 of the Notes to allow, inter alia, for redemption of a Principal Amount of the Notes equal to the Floating Rate Payer Calculation Amount of the New Credit Derivative Transaction in respect of which an Event Determination Date has occurred, with the remainder of the Principal Amount of the Notes remaining outstanding and accruing interest on such reduced Principal Amount (until such time as a further Event Determination Date in respect of a New Credit Derivative Transaction may occur or a redemption of the remaining Principal Amount of the Notes may otherwise occur pursuant to the terms hereof).”.

(iii) by adding a new Section 2.2(n)(v) as follows:

“(v) the Calculation Agent shall provide copies of an amended Charged Agreement detailing each Reference Entity and the portion of the Principal Amount of the Notes allocated to each such Reference Entity to Seller and Buyer and Seller shall provide notice thereof (including copies of the amended Charged Agreement) to the Noteholders (provided that the failure of Seller to deliver any such notice shall not affect the effectiveness of any such notice delivered by the Calculation Agent).”.

(d) Section 3.13(b)(i)(A) shall be amended by the insertion of the words “of the relevant Reference Entity” immediately after the words “Reference Obligation” in the second line thereof.

(e) Section 11.4 is deleted.

(f) Article VIII is deleted, save to the extent that definitions and other terms defined therein are applicable for the purposes of other sections of the Credit Derivatives Definitions and in particular save for Section 8.12.

(g) References to Deliverable Obligation in the definition of Reference Obligation are for convenience only and are not intended to amend the Settlement Method.

6. **Additional Provisions:**

A. Unless the context otherwise requires, words in the singular include the plural, and words in the plural include the singular.

- B. Section 9(g) of the Agreement (Headings) applies to this CDS Confirmation and the Exhibit hereto.
 - C. With respect to any notice delivered to it by Buyer, Seller shall deliver or arrange for the delivery of a copy thereof to any holder of the Notes, provided the delivery of or failure to deliver such copies to any such holder by or on behalf of Seller will not affect the effectiveness of such notices delivered by Buyer to Seller.
 - D. The Calculation Agent shall notify Seller in writing, as soon as reasonably practicable, of any calculations and/or determinations made pursuant to this Confirmation, provided the delivery of or failure to deliver such notices will not affect the effectiveness of any calculations or determinations made pursuant to this Confirmation. Calculations or determinations required to be made by the Calculation Agent, in lieu of the second sentence of Section 1.5 of the Credit Derivatives Definitions, shall, unless expressly stated otherwise, be calculated or determined by the Calculation Agent in good faith in its sole and absolute discretion, effective as of such determination, and shall be conclusive absent manifest error.
 - E. Note Event Notices, Credit Event Notices, Notices of Publicly Available Information and Extension Notices are subject to the requirements regarding notices set forth in Section 1.38 unless otherwise specifically provided herein and shall, in each case, be copied by Buyer to the Principal Paying Agent and the Trustee, provided that the delivery of or failure to deliver any such copy to the Principal Paying Agent or the Trustee will not affect the effectiveness of such notice.
 - F. Seller agrees that Buyer may provide the details of any Transaction entered into pursuant to the Agreement (including any modification thereto or details of any termination of a Transaction whether in whole or in part) to a trade repository which collects and maintains the records of derivatives.
 - G. Any payments due to be made by the Buyer to the Seller under this Transaction may be made by the Buyer to or to the order of the Seller.
 - H. Where an Issuer Optional Early Termination Date is designated pursuant to the ASW as a result of the occurrence of an Automatic Issuer Option Exercise Event, an Early Termination Date shall automatically be designated in respect of this Transaction and shall be designated to be the same date as the Early Termination Date designated pursuant to the ASW. In such circumstances, this Transaction shall terminate in full in connection with the designation of such Early Termination Date but no amount shall be payable under or in respect of this Transaction on such Early Termination Date (whether pursuant to Section 6(e) of the Charged Agreement (as amended pursuant to the Constituting Instrument) or otherwise).
7. **Notice and Account** See Notice and Account Details in Exhibit I.
Details:

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this CDS Confirmation and returning it to us.

Yours sincerely,

BARCLAYS BANK PLC

By:
Name:
Title:

Confirmed on the date
first above written:

ARLO II LIMITED

By:

EXHIBIT I
Notice and Account Details

Notices to Buyer:

Barclays Bank PLC
Level 25
Tower 2, Marina Bay Financial Centre
Singapore 018983

Tel: +65 6308 3000
Attention: Head of Legal Asia Pacific

With a copy to:

Barclays Bank PLC
5 The North Colonnade
London, Greater London
E14 4BB, United Kingdom

Telephone No: +44 (0)20 7623 2323
Attention: Head of SPV – Investment Bank Middle Office
Email: xraSPVMO@barclayscapital.com
Attention: SPV Middle Office

Account Details of Buyer:

EUR

Corr Bank: Barclays Bank Ireland Plc Frankfurt
Corr Swift: BARCDEFF
Bank: Barclays Bank Plc London
Swift: BARCGB22
A/C: Barclays Head Office SWAPS
IBAN no: GB 49 BARC 200000 78659111

GBP

Bank: Barclays Bk Plc, 54 Lombard Street, London
S/C: 20-00-00
A/C: Barclays Head Office SWAPS
A/C No: 00152021

USD

Bank: Barclays Bank Plc, New York
ABA No: 026-0025-74
Swift: BARCUS33
A/C: Barclays Bank Plc, London
A/C No: 050-01922-8

JPY

Bank: Sumitomo Mitsui Banking Corporation, Tokyo
Swift: SMBCJPJT
A/C: Barclays Bank PLC, Wholesale London
Swift: BARCGB5G
A/C No: 4835

Notices to Seller:

ARLO II Limited
PO Box 1093, Boundary Hall,
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands
Tel: (345) 945 7099
Fax: (345) 945 7100

Account Details of Seller:

JPY

Correspondent Bank: MUFG Bank, Ltd.
Correspondent Bank SWIFT: BOTKJPJT
Account Number: 653-0472026
The Bank of New York Mellon, London
Branch
Beneficiary Bank: IRVTGB2X
Beneficiary Bank SWIFT: ARLO II Limited CLN 2022 24 CUST
Final Beneficiary: ARLO II Limited CLN 2022 24 CUST
Final Beneficiary Account
Number: 4407723920
Reference: ARLO II Series CLN 2022-24

ANNEX 3: FORM OF PARAGRAPH 11 OF THE CREDIT SUPPORT ANNEX

PARAGRAPH 11 OF THE CREDIT SUPPORT ANNEX

References herein to “Party A” are to Barclays Bank PLC and to “Party B” are to ARLO II Limited but only in respect of its Series CLN 2022-24 JPY 3,000,000,000 Secured Limited Recourse Credit Linked Notes due 2026 (the “Notes”).

Paragraph 11. Elections and Variables

(a) **Base Currency and Eligible Currency**

- (i) “**Base Currency**” means JPY (and any successor currency).
- (ii) “**Eligible Currency**” means the Base Currency, USD, Euro and the lawful currency of the United Kingdom (and any successor currency to any such currencies).

(b) **Credit Support Obligations**

- (i) Delivery Amount, Return Amount and Credit Support Amount
 - (A) “**Delivery Amount**” has the meaning specified in Paragraph 2(a) provided that (a) any Delivery Amount to be transferred by Party B shall be transferred only to the extent that such Delivery Amount does not exceed the Value of the Charged Assets held by Party B on the relevant Valuation Date (as determined by the Valuation Agent), and (b) any Delivery Amount to be transferred by Party A shall be transferred only to the extent that such Delivery Amount does not exceed an amount equal to the Outstanding Principal Amount of the Notes plus accrued but unpaid interest.
 - (B) “**Return Amount**” has the meaning specified in Paragraph 2(b).
 - (C) “**Credit Support Amount**” has the meaning specified in Paragraph 10.
- (ii) **Eligible Credit Support**
 - (A) In respect of Party A and Party B, each of the items described below must qualify as Eligible Credit Support on each Valuation Date.

| | <i>Valuation Percentage</i> |
|---|-----------------------------|
| (a) cash in an Eligible Currency | 100% |
| (b) Debt Obligations issued by the Government of Japan | 100% |
| (c) Negotiable Debt Obligations issued by the Government of:- | |
| Austria | 100% |
| Belgium | 100% |
| Canada | 100% |
| Denmark | 100% |
| Finland | 100% |
| France | 100% |
| Germany | 100% |

| | |
|---------------|------|
| Netherlands | 100% |
| Spain | 100% |
| Sweden | 100% |
| Switzerland | 100% |
| United States | 100% |

For the purpose of this provision, Negotiable Debt Obligations must be rated by Moody's Investors Service, Inc. or its successor thereto ("**Moody's**"), and/or Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., or any successor thereto ("**S&P**"), "A3" and "A-" respectively, or higher.

- (B) Notwithstanding sub-paragraph (A) above, the following securities shall qualify as Eligible Credit Support on each Valuation Date:

The obligations of Party B under this Annex to transfer Eligible Credit Support shall be limited to the Charged Assets held by Party B from time to time, so that if the principal amount of Charged Assets held by Party B is zero at the relevant time then no obligation to transfer shall arise under the terms of this Annex at such time. For the avoidance of doubt, this limitation is without prejudice to, and does not amend or alter, the calculation of Exposure, Delivery Amount or Return Amount, or any obligation of Party B under any other provisions of this Annex.

(iii) **Thresholds**

- (A) "**Independent Amount**" means with respect to Party A and Party B, zero.
- (B) "**Threshold**" means with respect to Party A and Party B, zero.
- (C) "**Minimum Transfer Amount**" means with respect to Party A and Party B, 10,000,000 units of the Base Currency (where the Base Currency is JPY) or 100,000 units of the Base Currency (where the Base Currency is a currency other than JPY) provided that (i) if an Event of Default or a Potential Event of Default has occurred and is continuing with respect to a party, the Minimum Transfer Amount for that party shall be zero; or, (ii) where the Credit Support Amount with respect to a party on a Valuation Date is zero, for the purposes of calculating any Return Amount, the Minimum Transfer Amount, shall be zero and Rounding shall not apply.
- (D) **Rounding.** The Delivery Amount and the Return Amount will be rounded up and down, in each case, to the nearest integral multiple of 100,000 units of the Base Currency respectively.

(c) **Valuation and Timing**

- (i) "**Valuation Agent**" means Party A in all instances.
- (ii) "**Valuation Date**" means every Monday, except that the initial Valuation Date shall be the second Monday immediately following the date of the ISDA Master Agreement; and provided further that if such Monday is not a London Business Day, the Valuation Date shall be the immediately following London Business Day.
- (iii) "**Valuation Time**" means the close of business in the relevant market, as determined by the Valuation Agent, on the Local Business Day immediately preceding the Valuation Date or date of calculation, as applicable, provided that

the calculations of Value and Exposure will, as far as practicable, be made as of approximately the same time on the same date.

(iv) **“Notification Time”** means 10.00 a.m., London time, on the applicable Valuation Date or date of calculation as applicable.

(d) **Exchange Date**

“Exchange Date” has the meaning specified in Paragraph 3(c)(ii).

(e) **Dispute Resolution**

(i) **“Resolution Time”** means 10.00 a.m., London time, on the first Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 4.

(ii) **Value.** For the purposes of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, will be calculated as follows:

(A) with respect to any Eligible Credit Support or Equivalent Credit Support comprising the securities or any other Negotiable Debt Obligations, by the Valuation Agent seeking bid prices as of the relevant Valuation Date (or date of transfer) from three principal market makers in the securities in question. The Value will be the sum of (I) the arithmetic mean of the bid prices received by the Valuation Agent, plus (II) accrued interest, multiplied by the Valuation Percentage, if any; and

(B) with respect to any cash, the Base Currency Equivalent of the amount thereof.

(iii) **Alternative.** The provisions of Paragraph 4 will apply, unless an alternative dispute resolution procedure is specified here: none.

(f) **Distributions and Interest Amount**

For the purposes of Paragraph 5(c), neither Party A nor Party B shall be required to transfer Equivalent Distributions or Interest Amounts, save in relation to any AV Negative Interest Amount in respect of the Extension Calculation Period. For the purpose of determining the AV Negative Interest Amount, the applicable Interest Rate shall be any official overnight interest rate applicable to the Interest Amounts and/or cash set by a central bank or other monetary authority, as determined by the Valuation Agent.

(g) **Addresses for Transfers**

Party A: To be advised by Party A.

Party B: To be advised by Party B’s custodian.

(h) **Other provisions:**

(i) **Transfer Timing.**

(A) The final paragraph of Paragraph 3(a) shall be deleted and replaced with the following:

“Subject to Paragraph 4, and unless otherwise specified, any transfer of Eligible Credit Support or Equivalent Credit Support (whether by the Transferor pursuant to Paragraph 2(a) or by the Transferee pursuant to Paragraph 2(b)) shall be made not later than the close of business on the Settlement Day.”.

- (B) The definition of “Settlement Day” shall be deleted and replaced with the following:

“**Settlement Day**” means the next Local Business Day after the Demand Date.

- (C) For the purposes of this Paragraph 11(h)(i):

“**Demand Date**” means, with respect to a transfer by a party:

- (A) in the case of a transfer pursuant to Paragraph 2, Paragraph 3 or Paragraph 4(a)(2), the relevant Valuation Date. For the avoidance of doubt, for the purposes of Paragraph 2 and Paragraph 4(a)(2), the Transferor will be deemed to receive notice of the demand by the Transferee to make a transfer of Eligible Credit Support; and
- (B) in the case of a transfer pursuant to Paragraph 3(c)(ii)(A), the date on which the Transferee has given its consent to the proposed exchange.

(ii) **Early Termination.**

The heading for Paragraph 6 shall be deleted and replaced with “Early Termination” and the following shall be added after the word “Default” in the first line of Paragraph 6: “or a Termination Event in relation to all (but not less than all) Transactions.”.

(iii) **Cost of Transfer or Exchange.**

Notwithstanding Paragraph 8, Party A will be responsible for, and will reimburse Party B for, all transfer and other taxes and other costs involved in the transfer of Eligible Credit Support either from the Transferor to the Transferee or from the Transferee to the Transferor.

(iv) **Calculations.**

Paragraph 3(b) of this Annex shall be amended by inserting the words “and shall provide each party (or the other party, if the Valuation Agent is a party) with a description in reasonable detail of how such calculations were made, upon request” after the word “calculations” in the third line thereof.

(v) **Paragraph 6.**

For the purposes of Paragraph 6, Value shall have the meaning set out in Paragraph 10 of the Annex save that any reference to “...multiplied by the applicable Valuation Percentage, if any ...” shall be deleted from the definition.

(vi) **Substitution of Eligible Credit Support in the event that the issuer of the Negotiable Debt Obligations is downgraded.**

If the rating assigned by Moody's or S&P to the Negotiable Debt Obligations held as Eligible Credit Support falls below the minimum rating requirements imposed under the definition of "Eligible Credit Support" in Paragraph 11(b)(ii) (the "**Affected Credit Support**"), then the party that holds the Affected Credit Support shall be entitled to demand (by telephonic notice, facsimile transmission, in writing or by electronic messaging system or email) the further transfer to it of substitute Eligible Credit Support in exchange for the Affected Credit Support (such substitute Eligible Credit Support to be of equal value to the Affected Credit Support, in the determination of the Valuation Agent).

The party obligated to provide substitute Eligible Credit Support shall make such transfer on the first Local Business Day following the date on which it receives such notice. The party demanding such transfer will only be obligated to return the Affected Credit Support after receiving the substitute Eligible Credit Support.

(vii) **Taxes.**

The Transferee shall have the right to (i) refuse to accept a transfer of any cash or securities by the Transferor and / or to (ii) insist on the immediate substitution of any cash or securities already held by the Transferee as Eligible Credit Support, if at any time there occurs a change in taxation in relation to such cash or securities which has a negative impact on the Transferor or Transferee (as determined by the Valuation Agent).

(viii) **Amendment to the Valuation Percentages applicable to Negotiable Debt Obligations held as Eligible Credit Support.**

On any Valuation Date, Party A may increase or decrease the Valuation Percentages applicable to the Negotiable Debt Obligations. Party A must provide Party B with written notice stating that the Valuation Percentages will be amended 5 (five) Local Business Days prior to the relevant Valuation Date (the "**VP Effective Date**"). For the avoidance of doubt, written notice will be delivered in accordance with Section 12 of the ISDA Master Agreement. Any such increase or decrease in the Valuation Percentages applicable to the Negotiable Debt Obligations will be deemed to be incorporated into this Annex on the VP Effective Date.

(ix) **Amendments to Paragraph 10 (*Definitions*).**

(A) Capitalised words and expressions defined in the Confirmations shall, except so far as the context otherwise requires, have the same meaning in this Annex. In the event of any inconsistency between the definitions in the Confirmations and this Annex, this Annex shall prevail.

(B) The definition of "**Resolution Time**" in Paragraph 10 of this Annex shall be deleted in its entirety and replaced with the following:-

"**Resolution Time**" has the meaning specified in Paragraph 11(e)(i).

(C) The following additional definitions shall be added to Paragraph 10 of this Annex:

“Debt Obligations” means any debt obligations issued or guaranteed by the Government of Japan.

“Government” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) with respect to a country.

“Negotiable Debt Obligations” means any negotiable debt obligations issued or guaranteed by the Government of the relevant country listed in the table in item (c) of Paragraph 11(b)(ii)(A) of this Annex.

(D) The definition of **“Exposure”** in Paragraph 10 of this Annex shall be amended by:

(i) inserting the following immediately after the words “(i) that party is not the Affected Party”:

“, (ii) with respect to the ASW, (A) Initial Exchange and Final Exchange and Party A Interim Exchange shall be disregarded; (B) the Variable Amount payable by Party B to Party A on each Variable Amount Payment Date shall be deemed to be the amount of stated coupon payable under the JGB Charged Assets with a principal amount equal to the Reference Amount (as in effect in respect of the JGB Charged Assets on the Trade Date and without regard to any grace period or the satisfaction of any conditions precedent to the commencement of such grace period), and (C) each Variable Amount Payment Date shall be deemed to be the Business Day following the stated coupon payment date of the JGB Charged Assets,”; and

(ii) the reference to “(ii)” in the sixth line thereof shall be amended to “(iii)”,

provided that, for the purposes of determining “Exposure”, notwithstanding paragraph 6.2 (*Negative Interest Rates*) of the Charged Agreement, (i) if, but for this proviso, the Floating Amount would be negative, the Floating Amount shall be deemed to be zero and (ii) for the purposes of determining “Exposure” with respect to the ASW, “Negative Interest Rate Method” shall be deemed to be specified as applicable, each solely for the purposes of Section 6.4 of the 2006 ISDA Definitions.

(x) **Demands and Notices.**

All demands, specifications and notices under this Annex will be made pursuant to Section 12 of the ISDA Master Agreement.

(xi) **Protocol Covered Collateral Agreement.**

This Annex shall be deemed to be a “Protocol Covered Collateral Agreement” for the purposes of the ISDA 2014 Collateral Agreement Negative Interest Protocol published on 12 May 2014 by ISDA (the **“Negative Interest Protocol”**), solely in respect of the Extension Calculation Period, if any.

IN WITNESS whereof, the parties hereby enter into this Annex by their duly authorised officers as of the date written above

BARCLAYS BANK PLC

ARLO II LIMITED

By:
Name:
Title:

By:
Name:
Title:

ANNEX 4: FORM OF MASTER CHARGED AGREEMENT TERMS

Structured Investment Terms Master Charged Agreement Terms

May 2016 Edition – Version 1

FORM OF CHARGED AGREEMENT

1. Background

- 1.1 These Master Charged Agreement Terms (May 2016 Edition – Version 1) contain provisions which may be used with respect to any Notes issued by the Issuer, the issue of which is arranged by Barclays Bank PLC or any of its subsidiaries or associated companies.
- 1.2 Notes may be constituted and/or secured by entry into by the Trustee, the Issuer, the Swap Counterparty and any others that may be parties thereto of a Constituting Instrument, each such Constituting Instrument comprising a separate instrument which may incorporate by reference, as amended and/or supplemented as provided therein, the provisions of these Master Charged Agreement Terms (May 2016 Edition – Version 1).
- 1.3 These Master Charged Agreement Terms (May 2016 Edition – Version 1) set out the terms and conditions pursuant to which the Swap Counterparty may, at its discretion, enter into a Charged Agreement with the Issuer of a Series of Notes issued by the Issuer under the Programme and comprise a Schedule (the “**Schedule**”) to the International Swaps and Derivatives Association Inc. 2002 Form of Master Agreement.
- 1.4 Upon the execution of the Constituting Instrument relating to the Notes of a particular Series by or on behalf of the persons party thereto in the capacities of Issuer and Swap Counterparty, such persons shall be deemed to have entered into an agreement in respect of the Notes constituted and/or secured by such Constituting Instrument on the terms of these Master Charged Agreement Terms (May 2016 Edition – Version 1) (as the same may be modified or supplemented by the provisions of such Constituting Instrument).

2. Definitions

Unless otherwise defined herein or the context otherwise requires, the Master Definitions as specified in and amended by the Constituting Instrument relating to the Notes of the relevant Series shall apply to these Master Charged Agreement Terms (May 2016 Edition – Version 1) and any deed or document incorporating them.

SCHEDULE

**to the 2002 Master Agreement
published by the
International Swaps and Derivatives Association, Inc. (“ISDA”)**

Dated: the date specified in the
Constituting Instrument
relating to the Notes referred to
in such Constituting Instrument

between

the Swap Counterparty

(“Party A”)

and

the Issuer

(“Party B”)

In respect of each Constituting Instrument entered into by the parties thereto (the “**Constituting Instrument**”) and the Series of Notes constituted thereby (the “**Notes**”), Party A and Party B are deemed to have entered into an agreement (the “**Agreement**”) in the form of the 2002 ISDA Master Agreement relating to the Charged Agreement entered into by Party A and Party B in respect of such Series of Notes, and such Agreement is deemed to be incorporated into this Agreement *in extenso* as amended by the following schedule which shall take effect as if it was the Schedule to such Agreement.

**SCHEDULE TO THE AGREEMENT
IN RESPECT OF THE SERIES OF NOTES
CONSTITUTED BY THE CONSTITUTING INSTRUMENT**

This Schedule is the Schedule to the Agreement referenced on the preceding page. For the avoidance of doubt, the Agreement and this Schedule relate solely to the Charged Agreement entered into between Party A and Party B in respect the Notes constituted by the Constituting Instrument referenced on the preceding page.

In this Schedule “**Notes**” means the Notes of the relevant Series constituted by the relevant Constituting Instrument and “**Charged Assets**” and “**Noteholders**” bear the meaning ascribed thereto in the Conditions of the Notes of the relevant Series.

This Agreement shall not be construed in any circumstances to form a single agreement with two or more Confirmations together unless specific provision to that effect is made in the relevant Confirmation(s) and/or Constituting Instrument. It is understood that the parties would not otherwise enter into any Transaction or Transactions. References to this “**Agreement**” in respect of a Transaction or Transactions mean this document together with the Confirmation(s) relating to that Transaction or Transactions. The terms and provisions of the Agreement in all instances shall be read and construed so as to give effect to the foregoing.

Each Charged Agreement shall be constituted by the Agreement and a Confirmation or Confirmations evidencing the Transaction or Transactions to be outstanding thereunder (the “**Transaction**” or “**Transactions**”), each such Confirmation constituting a Confirmation for the purposes of the relevant Agreement.

Notwithstanding anything to the contrary in this Agreement, in respect of a Series of Notes, each Agreement, each relevant Confirmation and each Transaction shall form a single agreement with respect to that Series of Notes. “**Transaction**”, “**Transactions**” and “**Agreement**” shall be interpreted accordingly and no other Agreements and no other Confirmations and Transactions in respect of any other Series of Notes shall be subject to, governed by or made part of such Agreement.

If, in respect of a Series of Notes, the Constituting Instrument therefor provides that Party A and Party B are parties to a Credit Support Annex (Bilateral Form – Transfer) governed by English law (“**Credit Support Annex**”) in respect of such Series of Notes, then the Transaction evidenced by such Credit Support Annex shall be a Transaction subject to, governed by and made part of the Agreement in respect of such Series of Notes.

1. **Termination Provisions**

In this Agreement:

1.1 **"Specified Entity"**: means in relation to Party A for the purpose of:

Section 5(a)(v), Not Applicable
Section 5(a)(vi), Not Applicable
Section 5(a)(vii), Not Applicable
Section 5(b)(v), Not Applicable

in relation to Party B for the purpose of:

Section 5(a)(v), Not Applicable
Section 5(a)(vi), Not Applicable
Section 5(a)(vii), Not Applicable
Section 5(b)(v), Not Applicable

1.2 **"Specified Transaction"**: will have the meaning specified in Section 14.

1.3 **"Cross Default"**: the provisions of Section 5(a)(vi) will not apply to either Party A or Party B.

1.4 **"Credit Event Upon Merger"**: the provisions of Section 5(b)(v) will not apply to either Party A or Party B.

1.5 **"Automatic Early Termination"**: will not apply to either Party A or Party B.

1.6 **Payments on Early Termination**. Section 6(e) of this Agreement will apply.

1.7 **"Termination Currency"**: means the currency in which the Notes are denominated.

1.8 **"Affected Transactions"**: If there is more than one Transaction outstanding under the Agreement in relation to a Series of Notes and an Early Termination Date is designated or deemed to occur in respect of any one Transaction under the Agreement in relation to a Series of Notes, all Transactions shall be Affected Transactions in respect of such Agreement and Series of Notes.

1.9 **"Additional Termination Event"** will apply as follows:

- (1) If at any time the Notes become repayable in full prior to the maturity date thereof in accordance with the Conditions thereof an Additional Termination Event will be deemed to have occurred; or
- (2) If at any time the Transaction is required to be terminated in part pursuant to any of Paragraphs 1.10 or 1.11 below, an Additional Termination Event will be deemed to have occurred, but only with respect to that part of the Transaction which terminates pursuant to such paragraph; or
- (3) If the event specified in Paragraph 1.12 occurs in relation to the Notes an Additional Termination Event will be deemed to have occurred.

For the purposes of the foregoing Additional Termination Events the Affected Party shall be Party B.

- 1.10 If some (but not all) of the Notes are to be redeemed by Party B pursuant to Condition 7(g) (*Redemption at the option of the Noteholders or the Issuer*) of the Notes (and subject, where applicable, to the prior payment in respect of and/or delivery of such relevant proportion of the Charged Assets to the Swap Counterparty as is required to fund the Issuer Optional Redemption Amount) then:
- (A) the obligations of Party B to make payment or delivery to Party A in respect of each Transaction outstanding under the Agreement after the date of such redemption shall be terminated:
 - (1) in the event that there are Charged Assets in relation to the Series of Notes, to the extent and in the amounts that are equivalent to the amounts which would have been received by Party B on the Charged Assets to be released from the security granted in favour of the Trustee by or pursuant to the Constituting Instrument and, if applicable, any Additional Charging Instrument consequent upon such redemption; or
 - (2) in the event that there are no Charged Assets in relation to the Series of Notes, to the extent and in the amounts that are equivalent to the amounts which would have been payable on the Notes so redeemed; and
 - (B) Party A's obligations to make payment or delivery to Party B in respect of each Transaction outstanding under the Agreement after such date shall be terminated to the extent and in the amounts that are equivalent to the amounts which would have been payable on the Notes so redeemed.
- 1.11 If Party A receives a notice that some or all of the Notes are to be purchased by Party B pursuant to Condition 7(h) (*Purchase*) of the Notes having given its consent to such purchase in accordance with such Condition (and subject, where applicable, to the prior payment in respect of and/or delivery of such relevant proportion of the Charged Assets to the Swap Counterparty as is required to fund the relevant early Redemption Amount or Issuer Optional Redemption Amount, as the case may be) then:
- (A) the obligations of Party B to make payment or delivery to Party A in respect of each Transaction outstanding under the Agreement after the date of such purchase shall be terminated:
 - (1) in the event that there are Charged Assets in relation to the Series of Notes, to the extent and in the amounts that are equivalent to the amounts which would have been received by Party B on the Charged Assets to be released from the security granted in favour of the Trustee by or pursuant to the Constituting Instrument and, if applicable, any Additional Charging Instrument consequent upon such purchase; or
 - (2) in the event that there are no Charged Assets in relation to the Series of Notes, to the extent and in the amounts that are equivalent to the amounts which would have been payable on the Notes so purchased; and
 - (B) Party A's obligations to make payment or delivery to Party B in respect of each Transaction outstanding under the Agreement after such date shall be terminated to the extent and in the amounts that are equivalent to the amounts which would have been payable on the Notes so purchased.
- 1.12 If Party A receives a notice that the Notes are to be exchanged for Notes of a New Series pursuant to Condition 7(i) (*Exchange of Series*) of the Notes having given its consent to such purchase in accordance with such Condition, then the obligation of each of Party A and Party B to make payment or delivery to the other party in respect of each Transaction

outstanding under the Agreement after the date of such exchange shall be terminated in full.

- 1.13 (A) If either party notifies the other that a party will, or there is a substantial likelihood that it will, in respect of any payment due from it to the other party under this Agreement, be required to make a deduction or withholding on account of FATCA (as defined in Part 2), an Additional Termination Event will be deemed to have occurred.
- (B) Without prejudice to the generality of the foregoing, for the purposes of this Additional Termination Event, if on the date falling 60 days prior to the earliest date on which withholding on account of FATCA could (in Party A's determination) apply to payments due from Party A to Party B under this Agreement (other than interest under Section 9(h) of this Agreement) (such 60th day prior being the "**FATCA Test Date**") Party B is a "nonparticipating foreign financial institution" (as such term is used under section 1471 of the U.S. Internal Revenue Code or in any regulations or guidance thereunder), there will on the FATCA Test Date be deemed to be a substantial likelihood that Party A will be required to make a deduction or withholding on account of FATCA and therefore, this Additional Termination Event will have occurred on the FATCA Test Date.
- 1.14 On receiving a notice referred to in Paragraph 1.10, 1.11, 1.12 or 1.13 above Party A will calculate the amount owing hereunder to it as a result of such termination or by it as a result of such termination, unless the Confirmation in relation to any Transaction so terminated in whole or in part expressly provides otherwise. Amounts due from Party A to Party B or from Party B to Party A, as the case may be, will be made to the account of the relevant party specified in the Confirmation. All such payments will be made on the date specified in such notice or, in the case of Paragraph 1.10 above, on the due date of redemption of the Notes in question or, in the case of Paragraph 1.12 above, on the date of cancellation of the Notes and issue of the Notes of the New Series.
- 1.15 Separate Agreements: Section 1(c) shall be deleted and replaced with the following:

"Notwithstanding anything to the contrary in this Agreement, in respect of a Series of Notes, each Agreement, each relevant Confirmation and each Transaction shall form a single agreement with respect to that Series of Notes. "**Transaction**", "**Transactions**" and "**Agreement**" shall be interpreted accordingly and no other Agreements and no other Confirmations and Transactions in respect of any other Series of Notes shall be subject to, governed by or made part of such Agreement.

This Agreement shall not be construed in any circumstances to form a single agreement with two or more Confirmations together unless specific provision to that effect is made in the relevant Confirmation and/or Constituting Instrument. It is understood that the parties would not otherwise enter into any Transaction or Transactions. References to this "**Agreement**" in respect of a Transaction or Transactions mean this document together with the Confirmation relating to that Transaction or Transactions. The terms and provisions of the Agreement in all instances shall be read and construed so as to give effect to the foregoing."

2. Tax Representations

- 2.1 Payer Representation: For the purpose of Section 3(e) of this Agreement, each of Party A and Party B will make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any withholding or

deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any current or future regulations or agreements thereunder, or any current or future official interpretations thereof, or any current or future laws, regulations, guidance or practices adopted pursuant to, or for the purposes of implementing, or pursuant to any agreement entered into pursuant to, or in connection with, any intergovernmental approach thereto or any intergovernmental agreement entered into in connection with the implementation of such Sections, in each case as the same may be amended from time to time (“**FATCA**”), from any payment (other than interest under Section 9(h) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representation made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement of the other party contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, provided that it shall not be in a breach of this representation where reliance is placed on item (ii) above and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

2.2 Payee Representations: For the purposes of Section 3(f):

(A) Party B makes the following representation:

“It is a non-US branch of a foreign person for U.S. federal income tax purposes.”.

(B) Party A makes the following representation:

“It is a non-US branch of a foreign person as those terms are used in Section 1.1441-4(a)(3)(ii) of the United States Treasury Regulations (as in effect from January 2011).”.

3. Agreement to Deliver Documents

For the purpose of Sections 3(d) and 4(a)(i) and (ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

(A) Tax forms, documents or certificates to be delivered are:

| <u>Party required to deliver document</u> | <u>Form/Document/ Certificate</u> | <u>Date by which to be delivered</u> |
|---|-----------------------------------|--------------------------------------|
| Not applicable | Not applicable | Not applicable |

(B) Other documents to be delivered are:

| <u>Party Required to deliver document</u> | <u>Form/Document/ Certificate</u> | <u>Date by which to be delivered</u> | <u>Covered by Section 3(d) Representation</u> |
|---|--|---|---|
| Party B | Legal opinion of counsel in the jurisdiction of incorporation of Party B | At signing of the Constituting Instrument relating to the Notes | No |
| | Letter from agent for service of process | At signing of the Constituting Instrument | No |

| | | |
|---|---|-----|
| confirming acceptance of appointment | relating to the Notes | |
| Copy of resolution of board of directors authorising execution of the Charged Agreement constituted by the Constituting Instrument relating to the Notes of the relevant Series and the Confirmation thereunder | At signing of the Constituting Instrument relating to the Notes | Yes |
| A duly authorised and executed Power of Attorney appointing persons to execute, <i>inter alia</i> , the Charged Agreement constituted by the Constituting Instrument relating to the Notes of the relevant Series and the Confirmation thereunder, or other evidence of due authorisation of a signatory hereto | At signing of the Constituting Instrument relating to the Notes | Yes |

4. **Miscellaneous**

4.1 **Addresses for Notices:** For the purpose of Section 12(a):

- (A) Address for notices of communications to Party A: As specified in the Constituting Instrument relating to the Notes of the relevant Series.
- (B) Address for notices or communications to Party B: As specified in the Constituting Instrument relating to the Notes of the relevant Series.

4.2 **Process Agent:** For the purpose of Section 13(c):

Party A appoints as its Process Agent: Not applicable.

Party B appoints as its Process Agent the person specified as agent for service of process in the Constituting Instrument relating to the Notes of the relevant Series.

4.3 **Offices:** The provisions of Section 10(a) will apply to this Agreement.

4.4 **Multibranch Party:** For the purpose of Section 10(b):

Party A is not a Multibranch Party.

Party B is not a Multibranch Party.

4.5 **Calculation Agent:** The Calculation Agent is Party A unless another entity is specified as Calculation Agent in respect of a Transaction in the Confirmation therefor. Party A (in its own capacity and as Calculation Agent or otherwise) is not acting as a fiduciary for or as an advisor to any person or entity in respect of its duties as Calculation Agent or otherwise

in connection with this Agreement or any Transaction hereunder and shall have no obligation to take any person or entity's (other than its own) interest or position into consideration in making any calculation or taking or refraining from taking any action in connection herewith or therewith.

4.6 Credit Support Document: Details of any Credit Support Document:

Party A: None, unless in respect of a Series of Notes, the Constituting Instrument therefor specifies that Party A is required to deliver a Credit Support Annex in which event such Credit Support Annex shall constitute a Credit Support Document in respect of Party A and such Series of Notes.

Party B: None, unless in respect of a Series of Notes, the Constituting Instrument therefor specifies that Party B is required to deliver a Credit Support Annex in which event such Credit Support Annex shall constitute a Credit Support Document in respect of Party B and such Series of Notes.

4.7 Credit Support Provider: Credit Support Provider means in relation to Party A: Not applicable.

Credit Support Provider means in relation to Party B: Not applicable.

4.8 Governing Law: This Agreement and all non-contractual obligations and any other matters arising from it will be governed by and construed in accordance with English law.

4.9 "Affiliate": will have the meaning specified in Section 14 unless another meaning is specified here: No change from Section 14 except that with respect to Party B it shall mean any person or entity controlled, directly or indirectly, by Party B.

4.10 Absence of Litigation: For the purposes of Section 3(c):

"Specified Entity" means in relation to Party A and Party B: Not Applicable.

4.11 No Agency: The provisions of Section 3(g) will apply to this Agreement.

5. Other Provisions

5.1 No Set-off

(A) All payments under this Agreement shall be made without set-off or counterclaim.

(B) Section 6(e) shall be amended by the deletion of the following words "and will be subject to Section 6(f)" at the end of the first paragraph thereof and Section 6(f) shall be deleted in its entirety.

5.2 Security interest and transfer

Section 7 shall be replaced by the following:

"Except as otherwise contemplated by Clauses 9.2 and 16.2 of the Master Trust Terms incorporated into the Trust Deed by the Constituting Instrument relating to the Notes of the relevant Series (as defined in the Conditions of the Notes), neither this Agreement nor any interest or obligation in or under it may be transferred (whether by way of security or otherwise) by either party except in accordance with the following:

- (A) subject to the consent of the Trustee, a party may make such a transfer of all or part of its interest in any Early Termination Amount payable to it by a Defaulting Party, together with any amounts payable on or with respect to that interest and any other rights associated with that interest pursuant to Sections 8, 9(h) and 11;
- (B) subject to the consent of the Trustee and provided that, if such transfer is proposed by Party A and the Notes are then rated at the request of the Issuer by a Rating Agency, such Rating Agency is notified of such substitution and confirms to the Trustee that its then current rating of such Notes by it will not be withdrawn or adversely affected by such transfer, a party may make such transfer of this Agreement to another entity as it shall deem appropriate, whether or not such transfer is pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, such other entity (but without prejudice to any other right or remedy under this Agreement); and
- (C) the Issuer may charge, assign or otherwise create security over its rights under this Agreement in favour of the Trustee pursuant to the Constituting Instrument or any Additional Charging Instrument.

Any purported transfer that is not in compliance with this Section will be void.”.

5.3 Disapplication of certain Events of Default

Sections 5(a)(ii) (Breach of Agreement; Repudiation of Agreement), 5(a)(iv) (Misrepresentation), 5(a)(v) (Default under Specified Transaction), 5(a)(vi) (Cross-Default), 5(a)(vii)(9) and 5(a)(viii) (Merger without Assumption) shall not apply in respect of either party.

5.4 Disapplication of certain Termination Events, and deferral of payments

Sections 5(b)(iii) (Tax Event), 5(b)(iv) (Tax Event Upon Merger) and 5(b)(v) (Credit Event Upon Merger) shall not apply in respect of either party.

Section 5(d) (Deferral of Payments and Deliveries During Waiting Period) shall be deleted in its entirety and, in Section 6(b)(iv)(2), the words “and any applicable Waiting Period has expired” shall be deleted at the end of the first paragraph thereof.

5.5 Transfer to avoid Termination Event

Sections 6(b)(ii) and 6(b)(iii) shall not apply.

5.6 Amendments

Section 9(b) is amended by the addition at the end thereof of the following additional sentences:

“Subject as provided below, if the Notes are rated, any such amendment, modification or waiver shall be subject to prior written notification to each Rating Agency and to confirmation from each Rating Agency as to there being no adverse change caused to the rating granted to the Notes by each Rating Agency that originally assigned a rating to such Notes at or about the time of issuance thereof. The immediately preceding sentence shall not apply to Party A and Party B entering into the Transactions under the Confirmation of even date herewith. This Section 9(b) shall not apply to any amendment, modification or

waiver to the Confirmation dated of even date herewith pursuant to the terms of such Confirmation, which amendment, modification or waiver expressly does not require the consent of Party B or is permitted to be made by Party A pursuant to the terms of such Confirmation or which amendment, modification or waiver is deemed to occur pursuant to the terms of such Confirmation.”.

5.7 Additional representation

Section 3 is amended by the addition at the end thereof of the following additional representation:

“(h) **Expertise.** It has sufficient knowledge and expertise to enter into the Transaction(s) and is relying on its own judgment and not on advice of the other Party.”.

5.8 Recording of conversations

Each party to this Agreement acknowledges and agrees to the tape recording of conversations between the parties to this Agreement whether by one or other or both of the parties.

5.9 Relationship between the parties

The Agreement is amended by the insertion after Section 14 of an additional Section 15, reading in its entirety as follows:

“15. **Relationship between the parties**

Each party will be deemed to represent to the other party on the date on which it enters into the Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for the Transaction):

(a) **Non Reliance**

It is acting for its own account and it is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into the Transaction; it being understood that information and explanations related to the terms and conditions of the Transaction shall not be considered investment advice or a recommendation to enter into the Transaction. It has not received from the other party any assurance or guarantee as to the expected results of the Transaction.

(b) **Assessment and Understanding**

It is capable of accepting the terms, conditions and risks of the Transaction. It is also capable of assuming, and assumes, the financial and other risks of the Transaction.

(c) **Status of Parties**

The other party is not acting as a fiduciary or an adviser for it in respect of the Transaction.

(d) **Transactions in the Collateral**

It understands that the other party and its Affiliates may engage in proprietary trading for its own account in the Collateral or similar instruments and that such

trading may affect the value of the Collateral.”.

5.10 Tax

Notwithstanding the definition of “Indemnifiable Tax” in Section 14 of this Agreement, in relation to payments by Party A, no Tax shall be an Indemnifiable Tax and, in relation to payments by Party B, no Tax shall be an Indemnifiable Tax and accordingly Section 2(d)(i)(4) and Section 2(d)(ii) of this Agreement shall not apply. Section 4(e) shall not apply to Party B.

5.11 Non-petition/limited recourse

Notwithstanding any other provision hereof, of any Charged Agreement or of the Confirmation relating thereto or otherwise, Party A hereby acknowledges that it shall have recourse in respect of any claim (including without limitation after as well as before any court judgment or arbitral award) under or in respect of the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or under the Confirmation relating thereto and forming part thereof or otherwise against Party B (whether arising under such Charged Agreement, such Confirmation, the general law, or otherwise) only to the Collateral (or part thereof if so provided in the Constituting Instrument relating to the Notes) relating to the Notes of the relevant Series and that, the security constituted in its favour by or pursuant to the Constituting Instrument relating to the Notes of the relevant Series and/or, if applicable, any Additional Charging Instrument having been enforced, any claim under or in respect of the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or the Confirmation relating thereto and forming part thereof or otherwise which it has against Party B and which is not met out of the proceeds of enforcement of such security (as applied in accordance with the provisions of the relevant Constituting Instrument) shall be extinguished and (save for lodging a claim in the liquidation of Party B initiated by another person or taking proceedings to obtain a declaration or judgment as to the obligations of Party B) Party A will not take any further action against Party B in respect thereof and will not have any claim (including without limitation after as well as before any court judgment or arbitral award) under or in respect of the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or the Confirmation relating thereto and forming part thereof or otherwise against the Collateral or Charged Assets relating to any other Discrete Series or Alternative Investments issued by Party B or against any other assets of Party B. It is a fundamental term of any debt comprising amounts owing and/or which may become owing to Party A by Party B and/or otherwise howsoever arising under or in respect of the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or the Confirmation relating thereto and forming part thereof or otherwise that Party A shall not be entitled to exercise any right of set-off, lien, consolidation of accounts, withholding or other similar right arising by operation of law or otherwise against Party B other than in its capacity as Party A, and then solely in respect of rights arising, under the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or the Confirmation relating thereto and forming part thereof and not in respect of any other agreement and shall not (save as aforesaid) petition or take any other step for the winding-up of Party B in relation to such debt or on any other grounds in respect of any other claim of whatever nature howsoever arising. This provision shall survive termination for any reason whatsoever of the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or the Confirmation relating thereto.

5.12 Payments

Section 2(c) shall not apply. There shall be inserted the following additional paragraph as Section 2(e):

- “(e) **Same day payments.** If on any date (a “**Relevant Date**”) amounts are payable in respect of the same Transaction, by each party to the other, then the amount payable by Party A (the “**Party A Payment**”) shall not be so payable until the amount payable by Party B (the “**Party B Payment**”) shall have been duly paid and received in full in accordance with the provisions of this Agreement. If on a Relevant Date, Party A shall not have received evidence satisfactory to it of the payment and receipt of the Party B Payment (“**Party B Payment Evidence**”), it shall be entitled but not obliged to pay the Party A Payment to an interest bearing escrow account in its name with the Principal Paying Agent on terms that the Party A Payment shall be paid to Party B in accordance with this Agreement if Party A shall have notified the Principal Paying Agent that it has received the Party B Payment Evidence but otherwise the Party A Payment shall be immediately repaid in full together with any accrued interest by the Principal Paying Agent to Party A for Party A’s sole use and benefit:
- (i) if Party A shall notify the Principal Paying Agent that there has occurred an Event of Default with respect to Party B or a Termination Event; or
 - (ii) in any event (if the Party A Payment shall not at such time have been paid to Party B in accordance with this Section 2(e)), immediately before close of business on the third Local Business Day after the Relevant Date.

The making or withholding of any Party A Payment or the taking or omission to take any other action by Party A in the circumstances and in the manner set out in this Section 2(e) shall not constitute an Event of Default or a Termination Event, in either such case, with respect to Party A. Party A shall as against Party B be absolutely beneficially entitled to any interest accrued on the escrow account referred to above.”.

5.13 Section 5(a)(vii)

Section 5(a)(vii) shall apply with respect to Party B with the following amendments:

- (A) Section 5(a)(vii)(2) shall not apply.
- (B) Section 5(a)(vii)(3) shall take effect with the words “the Noteholders” substituted for “its creditors”.
- (C) Section 5(a)(vii)(5) is hereby amended by the insertion of the following words after the occurrence of the word “liquidation”:

“or sends a notice convening a meeting to propose a voluntary arrangement of the Noteholders”.
- (D) Sections 5(a)(vii)(6) and (7) shall take effect with the words “assets comprised in the Collateral (as defined in the Constituting Instrument)” substituted for “all or substantially all its assets”.
- (E) Section 5(a)(vii)(7) is hereby amended by the insertion of the following words after the occurrence of the word “thereafter”:

“other than, for the avoidance of doubt, in the case of Party B, by the creation of any security interest in respect of Party B’s assets pursuant to the trust deed in respect of any Series of Notes or the Deed of Floating Charge (if any)”.

(F) Section 5(a)(vii)(9) shall not apply.

5.14 Contracts (Rights of Third Parties) Act 1999

A person which is not a party to the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument relating to the Notes has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of such Charged Agreement or any agreement or deed or constituted hereby, but this does not affect any right or remedy of a third party which exists or is available apart from that Act (and is without prejudice to the right of the Trustee to enforce its security over such Charged Agreement as contemplated by the Trust Deed relating to the Notes of the relevant Series).

5.15 Calculation of Early Termination Amount

Notwithstanding the provisions of Section 6(e), the determination of any Early Termination Amount shall be made by Party A in all circumstances except where Party A is the Defaulting Party, in which case it shall be made by Party B.

5.16 Notices

Section 12 of the Agreement is amended by the deletion of the following in the second to third lines thereof:

“(except that a notice or other communication under Section 5 or 6 may not be given by electronic messaging system or e-mail).”.

6. **Additional Provisions**

6.1 **Party A Interim Exchange**

Party A and Party B agree that, unless this paragraph 6.1 (*Party A Interim Exchange*) is expressly disappplied in any Confirmation relating to any Transaction entered into under this Agreement, the following provisions set out below shall be deemed to be included in such Confirmation:

“Party A Interim Exchange

Party A Interim Exchange Date: Two Business Days after each date on which Party B and Party A are notified of any charge applied to the Cash Account or any other cash account of Party B relating to this Series as a result of any negative interest rate which is applicable to such account, in accordance with Clause 4.10 (*Negative Interest*) of the Master Custody Terms, as amended by the Constituting Instrument (each such charge, a **“Negative Interest Charge”**).

Party A Interim Exchange Amount: In respect of each Party A Interim Exchange Date, an amount equal to the applicable Negative Interest Charge.

Party B (in its capacity as Party B under this Agreement and as the Issuer under the Custody Agreement) hereby acknowledges and agrees that each Party A Interim Exchange Amount paid by

Party A shall be made to or to the order of Party B (in its capacity as Party B under this Agreement and as the Issuer under the Custody Agreement).”.

6.2 **Negative Interest Rates**

Party A and Party B agree that, unless this paragraph 6.2 (*Negative Interest Rates*) is expressly disappplied in any Confirmation relating to any Transaction entered into under this Agreement, “Zero Interest Rate Method” shall be deemed to be specified to be applicable to such Transaction for the purposes of Section 6.4 (*Negative Interest Rates*) of the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.).

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