

Base Prospectus

Takumi I Limited

(an exempted company incorporated in the Cayman Islands with registered number MC-263297)

Takumi II Limited

(an exempted company incorporated in the Cayman Islands with registered number MC-263294)

Takumi III Limited

(an exempted company incorporated in the Cayman Islands with registered number MC-263300)

Multi Issuer Limited Recourse Secured Note Programme

Under the Multi Issuer Limited Recourse Secured Note Programme (the “**Programme**”) described in this Base Prospectus (the “**Base Prospectus**”) and arranged by SMBC Nikko Capital Markets Limited (the “**Arranger**”), it is intended that Takumi I Limited, Takumi II Limited and Takumi III Limited (each a “**Relevant Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue secured notes (the “**Notes**”), where recourse in respect of such Notes is limited to the proceeds of enforcement of the security over the assets of the Relevant Issuer on which such Notes are secured on the terms set out herein, as completed by the information contained in the relevant final terms (the “**Final Terms**”) or in the relevant Tranche Prospectus (as defined below), as applicable, in respect of the relevant Notes.

In connection with the proposed issue of a Series of Notes by a Relevant Issuer, such Relevant Issuer is a party to the amended and restated principal trust deed dated 7 December 2018 (the “**Principal Trust Deed**”), as further amended and supplemented from time to time, entered into between Takumi I Limited, Takumi II Limited and Takumi III Limited and BNY Mellon Corporate Trustee Services Limited as trustee (the “**Trustee**”) and certain other Master Documents (as defined in “**Overview of the Programme**”). From and after execution and delivery of the Master Documents by a Relevant Issuer, each such Relevant Issuer shall become and be treated as an “**Issuer**” for the purposes of the Master Documents and this Base Prospectus. Unless the context otherwise requires, references herein to “**Issuer**” are references to the Relevant Issuer in respect of (and only to the extent of) the Notes issued by it and in respect of the Master Documents only to the extent that it is bound by them and such references specifically exclude any other Relevant Issuer. Each Relevant Issuer shall be bound by the Master Documents only in respect of the Series of Notes issued by it and matters relating thereto. No Relevant Issuer shall be bound by the Master Documents in respect of any Series of Notes issued by any other Relevant Issuer.

Notes issued under the Programme will be issued in Series and one or more Tranches of such Series may be issued either (i) pursuant to this Base Prospectus and relevant Final Terms or (ii) pursuant to a separate prospectus relating to each relevant Tranche (a “**Tranche Prospectus**”) (which term shall include those documents incorporated by reference into it in accordance with its terms and save as provided therein).

The payment obligations of the Relevant Issuer in respect of the Notes, Coupons and Talons of a Series together with the Relevant Issuer’s payment obligations under the Trust Deed and Swap Agreement (if any) relating to such Series (each as defined in the master terms and conditions of the Notes set out herein, the “**Master Conditions**”) and certain payment obligations of the Relevant Issuer to the Custodian and/or the Issuing and Paying Agent in relation to such Series will be secured by English law charges and assignments in favour of the Trustee on behalf of the Noteholders and the other secured parties over: (i) certain assets and property which may take the form of transferable securities acquired and held by the Relevant Issuer in connection with such Series and all property, assets and sums derived therefrom; (ii) all the Relevant Issuer’s rights attaching to or relating to the assets and property (including the benefit of any contractual rights relating thereto) described in (i); (iii) the rights of the Relevant Issuer under the Swap Agreement (if any) and certain Transaction Documents (each as defined in the Master Conditions) relating to the relevant Series; and (iv) all sums and assets held by the Agents (as defined in the Master Conditions) in relation to such Series. The Collateral (as defined in the Master Conditions), the Swap Agreement (if any) and any assets, property, income, rights and/or agreements of the Relevant Issuer from time to time charged or assigned to the Trustee, as the case may be, securing the Notes of a particular Series are referred to in this Base Prospectus as the “**Mortgaged Property**” for such Series. The holders of a specific Series of Notes will have recourse only to the Mortgaged Property for that Series, subject always to the Security (as defined in the Master Conditions), and no other assets of the Relevant Issuer or any other Relevant Issuer will be available to pay any claims with respect to the Notes of such Series. If, after the Mortgaged Property for a Series has been exhausted (whether pursuant to liquidation or enforcement) and following the application of the available cash sums derived therefrom in accordance with Condition 15 (*Application of Proceeds*) of the Notes and the relevant Trust Deed, any outstanding claim against the Relevant Issuer in respect of the Secured Payment Obligations (as defined in the Master Conditions) of the Relevant Issuer in relation to such Series remains unpaid, then such outstanding claims will be extinguished and no debt will be owed by the Relevant Issuer in respect thereof. Following such extinguishment, no holder of any Note of the relevant Series nor any Transaction Party (as defined in the Master Conditions) or any other person acting on behalf of any of them will be entitled to take any further steps against the Relevant Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum relating to such Series in respect of the extinguished claim and no debt will be owed to any such persons by the Relevant Issuer in respect of such further sum.

This Base Prospectus constitutes a base prospectus as contemplated by Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU to the extent implemented in the Relevant Member State, the “**Prospectus Directive**”). The Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority (the “**Competent Authority**”) under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union (“**EU**”) law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of The Irish Stock Exchange plc (trading as Euronext Dublin (“**Euronext Dublin**”)) or other regulated markets for the purposes of Directive 2014/65/EU or which are to be offered to the public in any Member State of the European Economic Area (the “**EEA**”).

Application has been made to Euronext Dublin for the Notes issued under the Programme within 12 months of the date of this Base Prospectus to be admitted to the Official List (the “**Official List**”) and trading on its regulated market (the “**Main Securities Market**”). The Main Securities Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. A Series of Notes may be listed and/or admitted to trading on such other or further stock exchanges as may be agreed between the Relevant Issuer and the Arranger. References in this Base Prospectus to a Series of Notes being “**listed**” (and all related references) will mean that such Notes have either been admitted to the Official List and have been admitted to trading on the Main Securities Market or have been admitted to the official list and have been admitted to trading on the regulated market of another stock exchange. However, unlisted Series of Notes may be issued pursuant to the Programme. The relevant Final Terms or Tranche Prospectus, if applicable, will specify whether or not such Notes are to be listed on the Official List and admitted to trading on the Main Securities Market or any other stock exchange as may be agreed between the Issuer and any relevant Dealer.

Each Series of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”) and together with a temporary Global Note, a “**Global Note**”). Notes in registered form (“**Registered Notes**”) will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates (“**Global Certificates**”). Global Notes and Global Certificates will be deposited on the issue date of the relevant Tranche with a common depositary (the “**Common Depositary**”) on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”). The provisions governing the exchange or transfer, as the case may be, of interests in Global Notes for other Global Notes and definitive Notes are described in “**Summary of Provisions Relating to the Notes while in Global Form**”.

It is anticipated that Notes to be issued under the Programme by Takumi II Limited will be rated by Moody’s SF Japan K.K. (“**Moody’s**”) and that Notes to be issued under the Programme by Takumi III Limited will be rated by Rating and Investment Information, Inc. (“**R&I**”). Moody’s is not established in the EU, not registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009 on credit rating agencies, as amended (the “**CRA Regulation**”) and not certified under such regulation. However, the rating by Moody’s SF Japan given to the Notes will be endorsed by Moody’s Investors Service Ltd. (a credit rating agency established in the EU and registered under the CRA Regulation) in accordance with Art. 4 paragraph 3 of the CRA Regulation. R&I is not established in the EU and is not registered or certified under the CRA Regulation and its rating given to the Notes (if any) will be endorsed by a credit rating agency established in the EU and registered under the CRA Regulation. Each rating will address the Relevant Issuer’s ability to perform its obligations under the terms of the Notes. Notes to be issued under the Programme by Takumi I Limited will not be rated. None of the Relevant Issuers will be rated.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by Moody’s or R&I (as the case may be). A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

Prospective investors should have regard to the factors described in “Risk Factors” and, in particular, to the limited recourse nature of the Notes and the fact that each Relevant Issuer is a special purpose vehicle.

THE NOTES WILL BE OBLIGATIONS SOLELY OF THE RELEVANT ISSUER AND WILL NOT BE GUARANTEED BY, OR BE THE RESPONSIBILITY OF, ANY OTHER ENTITY.

Arranger

SMBC Nikko

The date of this Base Prospectus is 7 December 2018.

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to Takumi I Limited, Takumi II Limited and Takumi III Limited and the Notes which, according to the particular nature of the Relevant Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Relevant Issuer.

Each of the Relevant Issuers accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each Relevant Issuer (each having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of Sumitomo Mitsui Banking Corporation (“**SMBC**”), SMBC Nikko Securities Inc. and SMBC Nikko Capital Markets Limited accepts responsibility for the information contained in this Base Prospectus only to the extent that such information relates to each such party. To the best of the knowledge of each of SMBC, SMBC Nikko Securities Inc. and SMBC Nikko Capital Markets Limited (each having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any website mentioned in this Base Prospectus does not form part of the Base Prospectus. The delivery of this Base Prospectus at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes, which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms or Tranche Prospectus, if applicable, in relation to the offer of those Notes, may only do so in circumstances in which no obligation arises for the Relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

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

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus and the relevant Final Terms or Tranche Prospectus, if applicable, 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 Relevant Issuer (as defined in “Overview of the Programme”) or any Dealer or the Arranger or the Trustee or any of the Agents. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of any Relevant Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of any Relevant Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

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

None of the Arranger, any Dealer or any other Transaction Party (as defined in the Master Conditions) have separately verified the information contained in this Base Prospectus and accordingly none of them makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may, at any time, be supplied in connection with the Notes or their distribution. To the fullest extent permitted by law, none of the Arranger, any Dealer or any other Transaction Party accepts any responsibility whatsoever for the Notes, the Transaction Documents (including the effectiveness thereof) or the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger or any such Dealer or on its behalf in connection with any Relevant Issuer or the issue and offering of the Notes. Each of the Arranger, any Dealer and other Transaction Parties accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of the Notes, the Transaction Documents or this Base Prospectus or any such statement, and none of them accepts any responsibility or liability therefor. None of the Arranger, any Dealer or any other Transaction Party undertakes to review the financial condition or affairs of the Relevant Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Notes of any information coming to their attention.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus. Prospective purchasers of Notes should conduct such independent investigation and analysis regarding the Relevant Issuer of the relevant Series of Notes, the security arrangements and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Prospective purchasers of Notes should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Base Prospectus and the relevant Final Terms or Tranche Prospectus, if applicable, and the merits and risks of investing in the Notes in the context of their financial position and circumstances. The risk factors identified in this Base Prospectus are provided as general information only and the Arranger, any Dealer and any other Transaction Party disclaim any responsibility to advise purchasers of Notes of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

Neither this Base Prospectus nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Relevant Issuers, the Arranger, any Dealer or any other Transaction Party that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. None of the Arranger, any Dealer or any other Transaction Party undertakes to review the financial condition or affairs of any of the Relevant Issuers during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the

Notes of any information coming to the attention of any of the Arranger, any Dealer or any other Transaction Party.

In connection with the issue of any Tranche (as defined in “Overview of the Programme”), any Dealer named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or any person acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms or Tranche Prospectus, if applicable, may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted by the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “euro”, “€” and “EUR” are to the lawful currency of those Member States of the European Union that have adopted the single currency of the European Union, references to “dollars”, “U.S. dollars”, “USD”, “\$” and “U.S.\$” are to the lawful currency of the United States of America, references to “Sterling”, “GBP” and “£” are to the lawful currency of the United Kingdom and references to “Yen”, “JPY” and “¥” are to the lawful currency of Japan. References to the “United States” or “U.S.” are to the United States of America.

The relevant Final Terms or Tranche Prospectus, if applicable, in respect of any Series of Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID II Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID II Product Governance Rules**”), any Dealer subscribing for any Series of Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

SUPPLEMENTARY PROSPECTUS

If at any time any Relevant Issuer shall be required to prepare a prospectus supplement pursuant to Article 16 of the Prospectus Directive, it will prepare and make available an appropriate supplement to this Base Prospectus or a further prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Main Securities Market, shall constitute a prospectus supplement or prospectus as applicable for the purposes of the Prospectus Directive.

TABLE OF CONTENTS

	Page
OVERVIEW OF THE PROGRAMME	7
RISK FACTORS	15
MASTER CONDITIONS	34
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM ...	84
USE OF PROCEEDS	89
DESCRIPTION OF THE ISSUERS	90
THE SWAP AGREEMENTS	96
SECURITY ARRANGEMENTS FOR COLLATERAL HELD IN CLEARING SYSTEM	99
TAXATION	100
SUBSCRIPTION AND SALE	101
FORM OF FINAL TERMS	105
GENERAL INFORMATION	115

OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus and, in relation to each Series, the Final Terms or Tranche Prospectus, if applicable, relating to such Series. Capitalised terms used but not defined in this overview shall have the meaning given to them in the Master Conditions.

Issuers:	Takumi I Limited, Takumi II Limited and Takumi III Limited (each a “ Relevant Issuer ”). References herein to “Issuer” are references to the Relevant Issuer in respect of (and only to the extent of) the Notes issued by it and in respect of the Master Documents to the extent that it is bound by them and such references specifically exclude any other Relevant Issuer. References herein to the “ Master Documents ” means the Principal Trust Deed, the Agency Agreement, the Custody Agreement, the Dealer Agreement and/or the Procedures Memorandum.
Description:	Limited Recourse Secured Note Programme pursuant to which a Relevant Issuer may issue Notes.
Arranger:	SMBC Nikko Capital Markets Limited.
Dealer(s):	SMBC Nikko Capital Markets Limited and/or any additional Dealer appointed from time to time by the Issuer for a specific issue or on a permanent basis.
Trustee:	BNY Mellon Corporate Trustee Services Limited.
Issuing and Paying Agent:	The Bank of New York Mellon, London Branch.
Calculation Agent:	The Bank of New York Mellon, London Branch.
Determination Agent:	SMBC Nikko Securities Inc., SMBC Nikko Capital Markets Limited or such other agent appointed as Determination Agent in respect of the relevant Series of Notes from time to time.
Custodian:	The Bank of New York Mellon, London Branch.
Disposal Agent:	SMBC Nikko Securities Inc., SMBC Nikko Capital Markets Limited or such other agent appointed as Disposal Agent in respect of the relevant Series of Notes from time to time.
Registrar and Transfer Agent(s):	The Bank of New York Mellon SA/NV, Luxembourg Branch and the Transfer Agent(s) in respect of each Series of Notes will be as specified in the relevant Final Terms or Tranche Prospectus, if applicable.
Swap Counterparty:	If the Issuer enters into a Swap Agreement in respect of a Series of Notes, SMBC Nikko Securities Inc. or SMBC Nikko Capital Markets Limited as specified in the relevant Final Terms or Tranche Prospectus, if applicable. References herein to a “ Swap Counterparty ” are references to the Swap Counterparty to each Swap Agreement relating to a Series.
Swap Guarantor:	The obligations of SMBC Nikko Capital Markets Limited under the relevant Swap Agreement will be guaranteed by Sumitomo Mitsui Banking Corporation.

Vendor: SMBC Nikko Securities Inc. or SMBC Nikko Capital Markets Limited, as the case may be, pursuant to the Collateral Sale Agreement. References herein to the “**Vendor**” are references to the Vendor pursuant to the Collateral Sale Agreement (if any) relating to a Series.

Method of Issue: The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Final Terms or the Tranche Prospectus (as applicable).

Mortgaged Property: The Notes of each Series will be secured in the manner set out in Condition 4 (*Security*) of the Master Conditions. The Mortgaged Property in respect of a Series of Notes will comprise the Collateral and/or the Swap Agreement (if any) and/or any assets, property, income, rights and/or agreements of the Issuer from time to time charged or assigned to the Trustee, as the case may be, securing the Secured Payment Obligations to the extent they relate to such Series.

A general description of the Collateral Obligor is set out in the Annex (*Collateral Annex*) to this Base Prospectus or may be set out in the relevant Final Terms or Tranche Prospectus, as applicable.

Security: With respect to a Series of Notes and the Transaction Documents relating to such Series, the payment obligations of the Issuer under the Trust Deed relating to such Series, the Custody Agreement relating to such Series, the Agency Agreement relating to such Series, the Swap Agreement (if any) relating to such Series and each Note, Coupon, Talon of such Series together with any obligation of the Issuer to reimburse the Issuing and Paying Agent in respect of payments made in accordance with the terms of the Agency Agreement to any person in discharge of any such payment obligation relating to such Series (referred to herein as the “**Secured Payment Obligations**”) are secured in favour of the Trustee for the benefit of the Secured Creditors, pursuant to the Trust Deed, by:

- (i) a first fixed charge over (x) the Collateral (if any) for such Series and all property, assets and sums derived therefrom; and (y) the Cash Account;
- (ii) an assignment by way of security of all the Issuer’s rights, title and interest attaching to or relating to the Collateral for such Series and all property, sums or assets derived therefrom including without limitation any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets

being held in a clearing system or through a financial intermediary;

- (iii) an assignment by way of security of the Issuer's rights, title and/or interest against the Custodian, to the extent that they relate to the Collateral for such Series;
- (iv) an assignment by way of security of the Issuer's rights, title and/or interest under the Agency Agreement, to the extent that they relate to the Notes of such Series;
- (v) an assignment by way of security of the Issuer's rights, title and/or interest under the Swap Agreement (if any) entered into in connection with such Series;
- (vi) an assignment by way of security of the Issuer's rights against the Disposal Agent under the terms of the Agency Agreement (or any other agreement entered into between the Issuer and the Disposal Agent), to the extent that such rights relate to the Collateral for such Series;
- (vii) an assignment by way of security of the Issuer's rights, title and interest under the Custody Agreement, for such Series, to the extent that they relate to any assets held by the Custodian in respect of the Notes of such Series;
- (viii) an assignment by way of security of the Issuer's rights, title and/or interest under the Collateral Sale Agreement (if any);
- (ix) a first fixed charge over (A) all sums held by the Issuing and Paying Agent and/or the Custodian to meet payments due in respect of any Secured Payment Obligation in respect of such Series, and (B) any sums received by the Issuing and Paying Agent under the Swap Agreement relating to such Series; and
- (x) a first fixed charge over all property, sums and assets held or received by the Disposal Agent relating to the Transaction Documents and the Collateral, to the extent that they relate to such Series.

Additionally, in respect of a Series of Notes, the Secured Payment Obligations of the Issuer may be secured pursuant to a security document other than the Trust Deed (an "**Other Security Document**") as specified in the relevant Supplemental Trust Deed and/or the relevant Final Terms or Tranche Prospectus, as applicable, for the relevant Series of Notes.

The Security will become enforceable in the circumstances set out in Condition 14(d) (*Enforcement Events*) of the Master Conditions.

Issue Price:

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

Form of Notes:

The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") only. Bearer Notes may not be exchanged for Registered Notes and vice versa.

Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “Selling Restrictions” below), otherwise such Tranche will be represented by a permanent Global Note.

Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to herein as “**Global Certificates**”.

Clearing Systems:

Euroclear and Clearstream, Luxembourg, and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer.

Initial Delivery of Notes:

On or before the issue date for each Tranche, the relevant Global Note or Global Certificate, as applicable, may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies:

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency as agreed between the Issuer, the Issuing and Paying Agent and the relevant Dealer(s).

Maturities:

Subject to compliance with all relevant laws, regulations and directives, any maturity as specified in the relevant Final Terms or Tranche Prospectus, if applicable.

Specified Denomination:

Definitive Notes will be in such denominations as may be specified in the relevant Final Terms or Tranche Prospectus, if applicable, save that in the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Fixed Rate Notes:

Interest on Fixed Rate Notes will be payable in arrear on the date or dates as specified in the relevant Final Terms or Tranche Prospectus, if applicable.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or such other definitions specified in the relevant Final Terms or Tranche Prospectus, if applicable; or
- (ii) by reference to LIBOR or EURIBOR as adjusted for any applicable margin.

Interest Periods and Rates of Interest:

The length of the interest periods for the Notes and the applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum rate of interest, a minimum rate of interest, or both.

Redemption:

Notes will redeem at maturity at 100 per cent. per Calculation Amount, unless redeemed earlier, subject to and in accordance with the Master Conditions. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (“FSMA”) must have a minimum redemption amount of £100,000 (or its equivalent in other currencies). Any Notes with a maturity of less than one year will not constitute money market instruments within the meaning of Article 2(1)(a) of the Prospectus Directive (as defined below).

Optional Redemption:

The relevant Final Terms or Tranche Prospectus, if applicable, will state whether the Notes may be redeemed prior to their stated maturity at the option of the Issuer or the Noteholders (as the case may be). If redemption at the option of the Issuer is applicable in the Final Terms or Tranche Prospectus, if applicable, then the Notes will redeem at 100 per cent. per Calculation Amount per Note in the Specified Currency together with any unpaid accrued interest thereon.

Early Redemption:

The Notes may become due and payable prior to the Maturity Date at their Early Redemption Amount (together with any unpaid accrued interest thereon) on the Early Redemption Date in connection with a Benchmark Event, as further described in Condition 6(g)(v) (*Benchmark Fallback Provisions*), or following the occurrence of a Collateral Early Redemption, a Collateral Default, a Note Tax Event, a Collateral Tax Event, a Swap Termination Event, a Swap Counterparty Event or an Event of Default as further described in Conditions 7 (*Redemption and Purchase*) and 12 (*Events of Default*) of the Master Conditions. If the Notes become due and payable prior to the Maturity Date, each Note will be redeemed at its Early Redemption Amount (together with any unpaid accrued interest thereon) on the Early Redemption Date.

The Early Redemption Amount of a Note may be less than the Specified Denomination of that Note and may be zero.

In addition, on redemption of the Notes other than on the Maturity Date, the Issuer or the Trustee (as the case may be) will apply available sums in accordance with the order of priority set out in Condition 15 (*Application of Proceeds*) of the Master Conditions. Such sums may not be sufficient to meet the claims of the Secured Creditors against the Issuer in respect of the Series and, accordingly, following application in accordance with the order of priority there may not be sufficient sums available to satisfy the Issuer's obligation to pay the Early Redemption Amount in full or at all. See further "Status of Notes".

Liquidation of Collateral:

If a default occurs in the payment of the Final Redemption Amount, the Optional Redemption Amount or any interest due and payable on the Maturity Date, or an Early Redemption Event occurs, a Liquidation Event will occur.

Upon receipt of a Liquidation Commencement Notice in relation to a Liquidation Event, the Disposal Agent will, so far as is practicable in the circumstances, effect an orderly Liquidation of all of the Collateral in accordance with the terms of the Master Conditions, the Trust Deed and the Agency Agreement.

Status of Notes:

The Notes will be secured, limited recourse obligations of the Issuer ranking *pari passu* and without any preference among themselves and secured in the manner described in Condition 4 (*Security*) of the Master Conditions. In respect of a Series of Notes, the Noteholders and Transaction Parties will have recourse only to the Mortgaged Property, subject always to the Security, and not to any other assets of the Issuer. Claims of Noteholders, Secured Creditors and the other Transaction Parties to the extent they relate to the relevant Series of Notes will rank in accordance with the priorities specified in the relevant Trust Deed. If, after the Mortgaged Property for a Series has been exhausted (whether pursuant to Liquidation or enforcement of the Security) and following the application of the available cash sums derived therefrom in accordance with Condition 15 (*Application of Proceeds*) of the Master Conditions and the relevant Trust Deed, any outstanding claim against the Issuer in respect of the secured payment obligations of the Issuer in relation to such Series remains unpaid, then such outstanding claims will be extinguished and no debt will be owed by the Issuer in respect thereof. Following such extinguishment, no holder of any Note of the relevant Series nor any Transaction Party or any other person acting on behalf of any of them will be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum relating to such Series in respect of the extinguished claim and no debt will be owed to any such persons by the Issuer in respect of such further sum.

Restrictions:

So long as any of the Notes remain outstanding, the Issuer will not, without the consent of the Trustee, engage in any business (other than the issuance or entry into of Obligations (as defined in the Master Conditions), the entry into of related agreements and transactions and the performing of acts incidental or necessary in connection therewith), sell any of the Mortgaged Property, permit the relevant Swap Agreement or the priority of the Security or any other Transaction Document to be amended

or release any party to the Swap Agreement, the Principal Trust Deed and/or any Other Security Document, declare any dividends, have any subsidiaries (although it may have more than one branch) or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Master Conditions, the relevant Trust Deed and/or any Other Security Document), issue any shares or any of the other restricted activities described in Condition 5 (*Restrictions*) of the Master Conditions.

Cross Default:

None.

Rating:

The Programme is not rated but it is anticipated that certain Series of Notes issued by Takumi II Limited will be rated by Moody's and certain Series of Notes issued by Takumi III Limited will be rated by R&I.

Where a Series is to be rated, such rating will be specified in the relevant Final Terms or the Tranche Prospectus (as applicable).

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Withholding Tax:

Without prejudice to the early redemption for taxation provisions of Condition 7(c) (*Redemption for Taxation Reasons*) of the Master Conditions, all payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any Agent is required by applicable laws to make any such payment in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer, or such Agent will make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

If the Issuer in good faith determines a Tax Substitution Event has occurred then the Issuer will, as soon as reasonably practicable upon becoming aware of such Tax Substitution Event, so inform the Trustee. If a Tax Substitution Event occurs, the Issuer will use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved beforehand in writing by the Trustee and the relevant Swap Counterparty (if any) as the principal obligor or to change (to the prior satisfaction of the Trustee and such Swap Counterparty) its residence for taxation purposes to another jurisdiction approved beforehand in writing by the Trustee and such Swap Counterparty such that following such substitution or change of residence no Tax Substitution Event will exist. The Issuer shall notify each relevant Rating Agency then rating the Notes of any event.

Further Issues:	The Issuer may from time to time issue further Notes of any Series on the same terms as existing Notes and such further Notes shall be consolidated and form a single Series with such existing Notes of the same Series; provided that, unless otherwise approved by an Extraordinary Resolution of Noteholders, the Issuer provides additional assets as security for such further Notes in accordance with Condition 20 (<i>Further Issues</i>) of the Master Conditions.
Governing Law:	English.
Listing and Admission to Trading:	Application has been made to Euronext Dublin to list Notes issued under the Programme on the Official List and to admit them to trading on the Main Securities Market or as otherwise specified in the relevant Final Terms or the Tranche Prospectus (as applicable) and references herein to “listing” shall be construed accordingly. As specified in the relevant Final Terms or the Tranche Prospectus (as applicable), a Series of Notes may be unlisted.
Selling Restrictions:	<p>The United States, the prohibition of sales to retail investors, the United Kingdom, Ireland, Cayman Islands, Japan and any other jurisdiction relevant to any Series. See “Subscription and Sale”.</p> <p>The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.</p> <p>Notes in bearer form will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)) (the “C Rules”) unless (i) the relevant Final Terms or the Tranche Prospectus (as applicable) states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the Code) (the “D Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Final Terms or the Tranche Prospectus (as applicable) as a transaction to which TEFRA is not applicable.</p>

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

General

The Notes

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

Investors

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

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

No fiduciary role

None of (i) the Issuer, (ii) any Transaction Party or (iii) any of their respective affiliates is acting as an investment adviser, and none of them (other than the Trustee under the Trust Deed in respect of the Noteholders only) assumes any fiduciary obligation to any purchaser of Notes or any other party, including the Issuer.

None of the Issuer, any of the Transaction Parties or any of their respective affiliates in respect of any Series assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Collateral or the terms thereof or of any Swap Counterparty or the terms of any Swap Agreement.

Investors may not rely on the views or advice of the Issuer, or any of the Transaction Parties in respect of any Series for any information in relation to any person other than such Issuer or Transaction Party, respectively.

No reliance

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

No representations

None of the Issuer, the Arranger or any of the Transaction Parties in respect of any Series makes any representation or warranty, express or implied, in respect of any Collateral or any issuer or obligor of any Collateral or of any Swap Counterparty or in respect of the relevant Swap Agreement or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or obligor or in respect of such Collateral or of any Swap Counterparty or in respect of the relevant Swap Agreement with any exchange, governmental, supervisory or self regulatory authority or any other person.

Risk Factors relating to the Issuer

The Issuer is a special purpose vehicle

The Issuer's sole business is the raising of money by issuing Notes for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted (amongst other things) not to, as long as any of the Notes remain outstanding, without the consent of the Trustee, to engage in any business other than the issuance or entry into of bonds, notes or other securities or the entry into of loans or other agreements for the payment or repayment of borrowed money, and provided always that such obligations are secured on assets of the Issuer other than the Issuer's share capital and those assets securing any other obligations of the Issuer and that they are entered into on a limited recourse basis. In addition, the Issuer will be subject to certain other restrictions including that it will not, without the consent of the Trustee, have any subsidiaries (although it may have more than one branch) or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions), declare any dividends or issue any shares (other than such shares as were in issue on the date of its incorporation). As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which Notes or other obligations are secured. There is no day-to-day management of the business of the Issuer.

Regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation. There is no assurance, however, that in the future such regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse effect on the Issuer and on the Noteholders.

There is no applicable taxation in the Cayman Islands and each of Takumi I Limited, Takumi II Limited and Takumi III Limited has obtained a concession to such effect for a period of twenty years. However, no assurance is given that such circumstance will not change in the future.

Cayman Islands Anti-Money Laundering Legislation

Each of Summit Management Limited, in its capacity as administrator (the "**Administrator**") and the Issuer is subject to the Anti-Money Laundering Regulations (2018 Revision) of the Cayman Islands (together with The Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands (or equivalent legislation and guidance, as applicable), and each as amended and revised from time to time, "**Cayman AML Regulations**"). The Cayman AML Regulations apply to anyone conducting "relevant financial business" in or from the Cayman Islands intending to form a business relationship or carry out a one-off transaction. The Cayman AML Regulations require a financial service provider to maintain certain anti-money laundering procedures including those for the purposes of verifying the identity and source of funds of an "applicant for business"; e.g. an investor, as well as the identity of the beneficial owner/controller of the investor, where applicable. Except in certain circumstances, including where an entity is regulated by a

recognised overseas regulatory authority and/or listed on a recognised stock exchange in an approved jurisdiction, the Issuer, or its agents will likely be required to verify each investor's identity and may be required to verify the source of the payment used by such investor in a manner similar to the obligations imposed under the laws of other major financial centres. Application of an identity verification exemption at the time of purchase of the Notes may nevertheless require verification of identity prior to payment of proceeds from the Notes. In addition, if any person in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering, or is involved with terrorism or terrorist financing and property, and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands ("FRA"), pursuant to the Proceeds of Crime Law (2018 Revision) of the Cayman Islands ("PCL"), if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Law (2018 Revision) of the Cayman Islands ("Terrorism Law"), if the disclosure relates to involvement with terrorism or terrorist financing and property. If the Issuer were determined by the Cayman Islands authorities to be in violation of the PCL, the Terrorism Law or the Cayman AML Regulations, the Issuer could be subject to substantial criminal penalties and/or administrative fines. The Issuer may be subject to similar restrictions in other jurisdictions. Such a violation could materially adversely affect the timing and amount of payments by the Issuer to the holders of the Notes.

Risk Factors relating to the Notes

Limited recourse obligations

The Notes comprise secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties. The Issuer will have no other assets or sources of revenue available for payment of any or its obligations under the Notes. No assurance can be made that the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes. If the proceeds of Liquidation received by the Issuer on Liquidation of all of the Collateral or the proceeds of Enforcement of Security received by the Trustee for the benefit of the Noteholders prove insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency, and following distribution of the proceeds of such realisation, the Issuer will have no further obligation to pay any amounts in respect of such deficiency.

Payment of any redemption amount will only be made after the distribution amounts described in paragraphs (i) to (v) of Condition 15(a) (*Application of Proceeds of Liquidation*) or 15(b) (*Application of Proceeds of Enforcement of the Security*) are fixed.

In addition, only the Trustee may enforce the Security over the Mortgaged Property in accordance with, and subject to, the terms of the Trust Deed. None of the Noteholders nor any other secured party will be entitled at any time to proceed against the Issuer unless the Trustee having become bound to proceed fails or neglects to do so.

No Relevant Issuer has any obligations in respect of Notes not issued by it.

No person other than the Issuer will be obliged to make payments on the Notes.

Trustee indemnity

In certain circumstances, the Noteholders may be dependent on the Trustee to take certain actions in respect of a Series of Notes, in particular if the Security in respect of such Series becomes enforceable under the Conditions. Prior to taking such action, the Trustee is entitled to (and will, prior to enforcing the Security in respect of a Series) require to be indemnified and/or secured and/or pre-funded to its satisfaction. If the Trustee is not satisfied with its indemnity and/or security and/or pre-funding it may decide not to take such action, without being in breach of its obligations under the relevant Trust Deed.

Consequently, the Noteholders may have to either arrange for such indemnity and/or security and/or pre-funding or accept the consequences of such inaction by the Trustee. Noteholders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any

such inaction by the Trustee. Such inaction by the Trustee will not entitle Noteholders to proceed themselves directly against the Issuer.

Priority of claims

During the term of the Notes and on a Liquidation or an Enforcement Event in respect of the Security granted by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties, the rights of the Noteholders to be paid amounts due under the Notes will be subordinated to (i) the fees, costs, charges, expenses and liabilities due and payable to the Trustee including costs incurred in the enforcement of the security and the Trustee's remuneration, (ii) amounts owing to the Custodian under the Custody Agreement and amounts owing to the Issuing and Paying Agent under the Agency Agreement, (iii) amounts owing to the Swap Counterparty under the relevant Swap Agreement (if any) and (iv) the other claims as specified in the Conditions and the relevant Trust Deed relating to the relevant Series that rank in priority to the claims of Noteholders and Couponholders.

No gross-up

In the event that any withholding tax or deduction for tax is imposed on payments on the Notes, the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall and no Event of Default shall occur as a result of any such withholding or deduction. If withholding tax is imposed or a deduction for tax is made in respect of payments on the Notes, these Notes may in certain circumstances be redeemed early.

Possibility of U.S. withholding tax on payments

On 18 March 2010, the U.S. enacted sections 1471 through 1474 of the U.S. Internal Revenue Code (together with any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code, or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any intergovernmental agreement entered into in connection therewith, or any analogous provisions of non-U.S. law, "FATCA"). FATCA imposes reporting requirements and a withholding tax of 30 per cent. on (i) certain U.S. source payments made after 30 June 2014, (ii) payments of gross proceeds from the disposition of assets that can produce U.S. source interest or dividends made after 31 December 2018, and (iii) certain payments by non-U.S. financial institutions ("**foreign passthru payments**") made after 31 December 2018 (at the earliest), in each case, made to persons that fail to meet certain certification or reporting requirements. The Issuer believes that it is a non-U.S. foreign financial institution for these purposes. A number of jurisdictions (including the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the Notes, is not clear at this time. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments prior to 1 January 2019 and Notes that are not treated as equity for U.S. federal income tax purposes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date.

The Issuer intends to comply with the information reporting and due diligence requirements imposed by FATCA, as modified by the IGA between the United States and the Cayman Islands, but there can be no assurance that the Issuer will be able to comply with these requirements. If the Issuer were unable to comply with its reporting obligations under FATCA, withholding might be imposed on any payments made to the Issuer, which would affect payments the Issuer makes with respect to Notes. If any amounts were withheld from payments with respect to the Notes pursuant to FATCA, the Issuer would not be required to pay any additional amounts in respect of such withholding. Prospective purchasers should consult their tax advisers regarding the potential application of FATCA to Notes.

THE FATCA PROVISIONS ARE PARTICULARLY COMPLEX AND THEIR APPLICATION TO THE ISSUER IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF THE FATCA PROVISIONS AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCES.

Cayman Islands – Automatic Exchange of Financial Account Information

The Cayman Islands has signed two IGAs to improve international tax compliance and the exchange of information – one with the United States and one with the United Kingdom (the “US IGA” and the “UK IGA”, respectively). The Cayman Islands has also signed, along with over 80 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (“CRS” and together with the US IGA and the UK IGA, “AEOI”).

Cayman Islands regulations have been issued to give effect to the US IGA, the UK IGA and CRS (collectively, the “AEOI Regulations”). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the “TIA”) has published guidance notes on the application of the US and UK IGAs and CRS. It is anticipated that the UK IGA, related regulations and relevant provisions of the guidance notes will be phased out in 2017 and replaced with CRS.

All Cayman Islands “Financial Institutions” (including the Issuer) are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless they are able to rely on an exemption that permits them to be treated as a “Non-Reporting Cayman Islands Financial Institution” (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The Issuer does not propose to rely on any Non-Reporting Cayman Islands Financial Institution exemption and therefore intends to comply with all of the requirements of the AEOI Regulations as a “Reporting Financial Institution”.

The AEOI Regulations require the Issuer to, amongst other things (i) register with the IRS / Internal Revenue Service (“IRS”) to obtain a Global Intermediary Identification Number (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a “Reporting Financial Institution”, (iii) adopt and implement written policies and procedures setting out how it will address its obligations under CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are considered “Reportable Accounts”, and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (e.g. the IRS in the case of a US Reportable Account) annually on an automatic basis.

Under the terms of the US IGA, withholding will not be imposed on payments made to the Issuer unless the IRS has specifically listed the Issuer as a non-participating financial institution, or on payments made by the Issuer to the Noteholders unless the Issuer has otherwise assumed responsibility for withholding under United States tax law.

Modification, waivers and substitution

The Trust Deed contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders of the relevant Series including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Trust Deed further provides that a resolution in writing signed by 90 per cent. of Noteholders binds all Noteholders of the relevant Series for all purposes.

The Trust Deed also provides that the Trustee may, without the consent of Noteholders, agree to (i) any modification of any of the Conditions or any of the provisions of any Transaction Document that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, (ii) any other modification (except as mentioned in the relevant Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any provisions of the Transaction Documents that is, in the opinion of the Trustee, not materially prejudicial to the interest of the Noteholders or (iii) the substitution of another company as principal debtor under the Trust Deed, the Notes, the Coupons and the Talons (as applicable) in place of the Issuer, subject to the written consent of any Swap Counterparty.

Early Redemption of the Notes

The Notes of a Series may become due and payable prior to their Maturity Date as further described in Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7 (*Redemption and Purchase*) and 12 (*Events of Default*) in connection with the occurrence of any of the following events:

- (i) a Benchmark Event;

- (ii) a Collateral Early Redemption;
- (iii) a Collateral Default;
- (iv) a Note Tax Event or Collateral Tax Event;
- (v) a termination in whole of the relevant Swap Transactions under the Swap Agreement;
- (vi) a Swap Counterparty Event; or
- (vii) an Event of Default under the Notes.

Following the occurrence of any of the above events and the delivery of any requisite notices in respect of a Series of Notes, such Series of Notes will become due and payable on the relevant Early Redemption Date at the Early Redemption Amount.

Prospective investors should note that there can be no assurance that the Early Redemption Amount per Note will be greater than or equal to the amount invested by any Noteholder.

The Issuer will fund payments of any Early Redemption Amount per Note under a Series of Notes from payment(s) due to it under, or on a Liquidation of, the Collateral (if applicable) and/or the relevant Swap Agreement (if applicable) and subject to payment of all prior ranking amounts under Conditions 15(a) (*Application of Proceeds of Liquidation*) or 15(b) (*Application of Proceeds of Enforcement of the Security*), as applicable. If, following the realisation in full of the Mortgaged Property relating to the relevant Series of Notes (whether by way of a Liquidation or an Enforcement Event in respect of the Security) and application of available cash sums as provided in the Conditions, there are any outstanding claims against the Issuer in respect of such Series of Notes which remain unpaid, then such outstanding claim will be extinguished and no debt will be owed by the Issuer in respect thereof. In such circumstances, the Noteholders may not receive back their investment and may receive zero.

Notes may be subject to optional redemption by the Issuer

The Notes may be redeemed at the option of the Issuer if so specified in the relevant Final Terms or Tranche Prospectus, if applicable. This feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed as it is more likely that the Issuer will redeem the Notes at such point. This also may be true prior to the commencement of any redemption period. An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate applicable to the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

Notes may be redeemable at the Noteholders' election

If the Notes are redeemable at the option of the Noteholders and if a Noteholder gives notice to redeem Notes early, there will be a time lag between that notice and the time at the applicable Optional Redemption Amount is determined in that period. There could be substantial movements in the value of the Collateral and therefore in the Optional Redemption Amount, but the redemption notice once given may not be withdrawn.

Mortgaged Property may be substituted

If specified in the relevant Final Terms or Tranche Prospectus, if applicable, the Issuer may substitute the Mortgaged Property with such alternative Mortgaged Property as it may deem appropriate if so directed by Noteholders acting by Extraordinary Resolution or upon agreement with the Trustee where the Trustee is satisfied that such substitution is not materially prejudicial to the interests of the Noteholders. All Noteholders should be aware that they may be affected by such substitution by the Issuer following such direction or agreement.

Notes issued at a substantial discount or premium

The Issuer may issue Notes at either a substantial discount or premium. The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general

changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Noteholders should take professional advice as to the tax implications of holding such Notes.

Market value of Notes

The market value of the Notes will be affected by a number of factors, including, but not limited to (i) the value and volatility of the Collateral and the creditworthiness of the issuers and obligors of any Collateral, (ii) the value and volatility of any property or other factor to which payments on the Notes may be linked, directly or indirectly, and the creditworthiness of the issuers or obligors in respect of any securities or other obligations to which payments on the Notes may be linked, directly or indirectly, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the Maturity Date, (v) the nature and liquidity of the Swap Agreement (if any) or any other derivative transaction entered into by the Issuer or embedded in the Notes or the Collateral and (vi) the value and volatility of the relevant Swap Agreement and the creditworthiness of the Swap Counterparty, if any. Any price at which Notes may be sold prior to the Maturity Date may be at a discount, which could be substantial, to the value at which the Notes were acquired on the Issue Date.

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

The discontinuance of LIBOR

On 27 July 2017, the Chief Executive of the UK Financial Conduct Authority (the “FCA”), which regulates the London Interbank Offered Rate (“LIBOR”), announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. Such announcement indicates that LIBOR will most likely be discontinued or modified by 2021.

It is also expected that, prior to 2021, the majority of market participants in the financial products markets will cease to reference LIBOR in their financial products and instead reference risk-free rates established in order to comply with the recommendations in the Financial Stability Board’s paper titled “Reforming Major Interest Rate Benchmarks” dated 22 July 2014.

Risks associated with the discontinuance of LIBOR and other benchmark indices

Reference rates and indices, including interest rate benchmarks such as LIBOR and the Euro Interbank Offered Rate (“EURIBOR”), which are used to determine the amounts payable under financial instruments or the value of such financial instruments have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform (including, in the European Union, through implementation of the “Benchmark Regulation” (Regulation (EU) 2016/1011), which came into force on 1 January 2018) and changes to existing benchmarks (including LIBOR), with further changes expected.

Benchmark Fallback Events

Pursuant to Condition 6(g) (*Benchmark Fallback Provisions*), the Determination Agent may determine the occurrence of a Benchmark Fallback Event (as defined in the Conditions). Upon the occurrence of a Benchmark Fallback Event, the Determination Agent shall use commercially reasonable endeavours to identify and/or determine a Replacement Benchmark and any applicable Adjustment Spread (each as defined in the Conditions) and will be required to notify the Issuer of any modifications to the Conditions of the Notes and/or the Transaction Documents in respect of a Series that it determines are necessary in order to reflect the Replacement Benchmark (as adjusted by any applicable Adjustment Spread), and the Issuer shall take such

actions as the Determination Agent deems necessary to effect such modifications. A Benchmark Fallback Event is expected to occur if a Benchmark (as defined in the Conditions) ceases (or the methodology or formula for the determination of it is materially changed), if the administrator of a Benchmark ceases to have the necessary authorisations or if a Benchmark is superseded or designated as no longer being industry standard for transactions that would previously have referenced such Benchmark. Therefore, if a Series of Notes references a Benchmark, there is a risk that a Benchmark Fallback Event may occur in respect of it. Whether a Benchmark Fallback Event has occurred will be determined by the Determination Agent.

In determining the occurrence of a Benchmark Fallback Event, the Determination Agent will act in a commercially reasonable manner with the aim of preserving as closely as practicable the economic equivalence of the Notes for Noteholders. However, Noteholders should be aware that (i) the application of any Replacement Benchmark (notwithstanding the foregoing) could result in a lower amount being payable to Noteholders than would otherwise have been the case and (ii) the application of any Replacement Benchmark shall be effected without requiring the consent of the Noteholders.

Noteholders should note that, if the Determination Agent determines that a Benchmark Fallback Event has occurred but is unable to, or fails to, identify a Replacement Benchmark, a Benchmark Event (as defined in the Conditions) will be deemed to have occurred and the Notes will be redeemed prior to their stated maturity.

Change of law

The Conditions of the Notes are governed by English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Risk Factors relating to the Collateral

No investigations

No investigations, searches or other enquiries have or will be made by or on behalf of the Issuer or the Trustee in respect of the Collateral relating to any Series of Notes. No representations or warranties, express or implied, have been given by the Issuer, the Dealer, the Trustee or any other person on their behalf in respect of the Collateral relating to any Series of Notes.

Collateral

The Collateral relating to any Notes will be subject to credit, liquidity and interest rate risks. In the event of an insolvency of an issuer or obligor in respect of any Collateral, various insolvency and related laws applicable to such issuer or obligor may (directly or indirectly) limit the amount the Issuer or any Disposal Agent acting on its behalf or the Trustee may recover in respect of such Collateral.

If Notes are redeemed on dates other than their Maturity Date, the Collateral relating thereto will be sold or otherwise liquidated (except where otherwise transferred in accordance with the Conditions). No assurance can be given as to the amount of proceeds of any sale or liquidation of such Collateral at that time since the market value of such Collateral will be affected by a number of factors including but not limited to (i) the creditworthiness of the issuers and obligors of the Collateral, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled maturity of the Collateral and (iv) the liquidity of the Collateral. Accordingly, the price at which such Collateral is sold or liquidated may be at a discount, which could be substantial, to the market value of the Collateral on the issue date and could be as low as zero, and the proceeds of any such sale or liquidation when taken together with the proceeds of termination of any related Swap Agreement and any other assets available to the Issuer that relate to the relevant Series of Notes may not be sufficient to repay the full amount of principal of and interest on the relevant Notes that the holders of such Notes would expect to receive in the event that the Notes were redeemed in accordance with their terms on their Maturity Date. Further, before any proceeds are paid to Noteholders following a Liquidation or Enforcement Event, the available proceeds will be subject to deduction of prior ranking claims.

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

Substitution with Cash Collateral

In the event that the Vendor does not deliver to the Issuer all or any part of the Collateral on the Issue Date, the Issuer shall instead deposit the Cash Collateral into the Cash Account. The Cash Collateral shall form part of the Collateral and shall be subject to the security interest in favour of the Trustee created pursuant to the Trust Deed. In the event that the Vendor delivers the Collateral (or part thereof) to the Issuer after the Issue Date, the Issuer shall substitute the Collateral (or part thereof) for an amount of Cash Collateral held in the Cash Account equivalent to the aggregate Purchase Price of the Collateral so delivered. From the time of such deposit, such amounts removed from the Cash Account will not form part of the Collateral and shall be deemed automatically released by the Trustee from the security interests created pursuant to the Trust Deed.

Risk Factors relating to the Swap Counterparties and the Swap Agreement

General

If the Issuer enters into a Swap Agreement in relation to a Series of Notes, the ability of the Issuer to meet its obligations under the Notes will depend in whole or in part on the receipt by it of payments under the Swap Transaction(s) under such Swap Agreement relating to such Series. The Issuer will be exposed not only to the occurrence of a Collateral Early Redemption or a Collateral Default in relation to any applicable Collateral (excluding any Posted Securities) and/or the volatility in the market value of any applicable Collateral, if applicable, but also to the ability of the relevant Swap Counterparty to perform its obligations under the related Swap Transaction(s). Default by such Swap Counterparty may result in the termination of the Swap Agreement and, in such circumstances, any amount due to the Issuer upon such termination may not be paid in full.

Pursuant to the terms of the relevant Swap Agreement entered into by the Issuer in connection with a Series of Notes, the Issuer or the relevant Swap Counterparty may terminate all outstanding Swap Transactions under such Swap Agreement in whole in certain specified circumstances. The Issuer will be entitled to terminate all outstanding Swap Transactions under the relevant Swap Agreement in whole upon the occurrence of an event of default (as such events are more particularly described in such Swap Agreement) in relation to the relevant Swap Counterparty, provided that the Trustee has consented to such termination. The relevant Swap Counterparty will be entitled to terminate or will be deemed to have designated to terminate all outstanding Swap Transactions under the relevant Swap Agreement in whole upon the occurrence of an event of default (as such events are more particularly described in the relevant Swap Agreement) in relation to the Issuer, certain illegality and force majeure events, certain tax events, a Collateral Early Redemption, a Collateral Default, the occurrence of an Early Redemption Event or an Event of Default under the Notes or the Issuer failing to give an Early Redemption notice to Noteholders when required to do so under the Conditions of the relevant Series of Notes. Any termination in whole of the Swap Transactions under any Swap Agreement relating to a Series of Notes will result in an early redemption in whole of such Series. Upon any such redemption, the amount paid to Noteholders to redeem such Notes may be significantly less than the Noteholder's original investment in such Notes and may be zero.

Additionally, payments under the Swap Transaction(s) will be suspended for the Collateral Obligor Grace Period where there is a Collateral Obligor Failure to Pay in respect of the Collateral and may be suspended for the Collateral Obligor Grace Period where there is a Collateral Obligor Failure to Pay in respect of any other Collateral Obligor Obligations. If payments under the Swap Transaction(s) are so suspended, the Issuer's obligations under the Notes during such period will be suspended for such applicable Collateral Obligor Grace Period.

None of the Issuer, any Transaction Party nor any affiliate of any such persons makes any representation as to the credit quality of any Swap Counterparty or any Posted Securities, if applicable. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information in relation to the relevant Swap Counterparty and/or the Posted Securities. None of such persons is under any obligation to make such information directly available to Noteholders. None of the Issuer, any Transaction Party nor any affiliate of any such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders' behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of any Swap Counterparty or any issuer/obligor in relation to any Posted Securities or conduct any investigation or due diligence thereon.

Pursuant to the terms of the relevant Swap Agreement relating to a Series of Notes, the Swap Counterparty may make determinations which:

- (i) have an adverse effect on the value of the Notes; and/or
- (ii) lead to the termination of the Swap Transactions under the Swap Agreement and the Notes becoming due and payable prior to their Maturity Date.

In making determinations under the relevant Swap Agreement, the relevant Swap Counterparty owes no duty to the Noteholders of the relevant Series of Notes, will act for its own account, may exercise any discretion in its own interests and will not and is not required to take into account the interests of the Issuer or any Noteholder of the relevant Series of Notes. Without prejudice to the foregoing, in making determinations under the relevant Swap Agreement, the relevant Swap Counterparty will when acting in its capacity as calculation agent thereunder make determinations in good faith and in a commercially reasonable manner.

Where SMBC Nikko Securities Inc. is the relevant Swap Counterparty for a Series of Notes, the Swap Counterparty and the Issuer may enter into a credit support annex to the schedule to the relevant ISDA Master Agreement in the form of the ISDA Credit Support Annex (Bilateral Form – Transfer) (the “**Credit Support Annex**”). Any such Credit Support Annex entered into between the Swap Counterparty and the Issuer will supplement, form part of, and be subject to, the relevant Swap Agreement.

The relevant Final Terms or Tranche Prospectus, as applicable, will specify whether a Credit Support Annex is to be entered into between the Swap Counterparty and the Issuer in connection with a Series of Notes and, if a Credit Support Annex is to be entered into, whether such Credit Support Annex is to be “one-way” or “two-way”. Any such Credit Support Annex shall be on the terms set out in the Master Credit Support Annex dated 8 December 2017 between the Swap Counterparty and the Issuer, as supplemented and amended by the relevant Final Terms or Tranche Prospectus, as applicable.

If the relevant Final Terms or Tranche Prospectus, as applicable, specify that a “one-way” Credit Support Annex is to be entered into, then such Credit Support Annex will provide for the transfer of eligible collateral by the Swap Counterparty to the Issuer in order to collateralise any exposure of the Issuer to the Swap Counterparty under the relevant Swap Agreement (determined by reference to periodic valuation of the mark-to-market value of the relevant Swap Transaction(s)), subject (if applicable) to certain thresholds being met and rounding conventions. Under a “one-way” Credit Support Annex, the Issuer will not be obliged to collateralise any exposure that the Swap Counterparty may have to the Issuer, but will be obliged to redeliver any collateral previously transferred to it by the Swap Counterparty to the extent that the Issuer’s exposure under the relevant Swap Agreement reduces.

If the relevant Final Terms or Tranche Prospectus, as applicable, specify that a “two-way” Credit Support Annex is to be entered into, then such Credit Support Annex will operate in much the same manner as a “one-way” Credit Support Annex, save that both parties may be obliged to post eligible collateral to the other in order to collateralise the parties’ respective exposure to one another under the relevant Swap Agreement, again subject (if applicable) to certain thresholds being met and rounding conventions.

To the extent that the Issuer is required to transfer eligible collateral to the Swap Counterparty under any “two-way” Credit Support Annex, the Issuer (and thereby Noteholders) will be assuming unsecured credit exposure to the Swap Counterparty in respect of the return of such eligible collateral.

Any eligible collateral transferred to the Issuer under a Credit Support Annex will constitute Collateral for the purposes of the relevant Series of Notes and will be subject to the Security constituted by the Trust Deed and any Other Security Document (if applicable).

Regulatory Bail-Ins

The EU Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**Bank Recovery and Resolution Directive**” or “**BRRD**”) was published in the EU Official Journal on 12 June 2014. The BRRD was implemented with effect in all European Member States on 1 January 2015, with the exception of the bail-in powers which were implemented on 1 January 2016. The aim of the BRRD is to provide national supervisory authorities with tools and powers to pre-emptively address potential banking crises in order to promote financial stability and minimise taxpayers’ exposure to losses.

Potential investors should note that SMBC Nikko Capital Markets Limited may be subject to recovery and resolution measures pursuant to the BRRD. These measures are intended to be used prior to the point at which any insolvency proceedings with respect to SMBC Nikko Capital Markets Limited could have been initiated. Recovery and resolution measures available to a resolution authority (being a relevant regulator of SMBC Nikko Capital Markets Limited) include the ability to modify contractual arrangements in certain circumstances, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for a resolution authority to disapply or modify laws (with possible retrospective effect). A resolution authority may also exercise the “bail-in tool” to enable it to recapitalise an institution in resolution by allocating losses to its shareholders and unsecured creditors (which potentially includes the Issuer) in a manner that is consistent with shareholders and creditors not receiving a less favourable treatment than they would have received in ordinary insolvency proceedings of the relevant entity (known as the “no creditor worse off” safeguard). The bail-in tool also includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the relevant entity under resolution and the power to convert a liability from one form or class to another.

The Issuer is not within scope of the BRRD because it is not a bank or investment firm or an affiliate of such. However, where SMBC Nikko Capital Markets Limited is the Swap Counterparty for a Series of Notes, the exercise of any resolution power by a resolution authority with respect to SMBC Nikko Capital Markets Limited, including exercise of the bail-in tool, or any suggestion of any such exercise, could:

- (i) materially adversely affect the rights of the holders of the Notes or the price or value of their investment in the Notes; and/or
- (ii) result in the cancellation or deferral of all, or a portion, of any amounts owed to the Issuer by SMBC Nikko Capital Markets Limited under the Swap Agreement; and/or
- (iii) impair the ability of the Issuer to satisfy its obligations under the Notes; and/or
- (iv) lead to the holders of the Notes losing some or all of the value of their investment in such Notes.

A resolution authority is not required to provide any advance notice to the Issuer or to the holders of the Notes of its decision to exercise any resolution power in relation to SMBC Nikko Capital Markets Limited. Therefore, holders of the Notes may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on SMBC Nikko Capital Markets Limited (and indirectly on the Issuer and the Notes). The Issuer, the Trustee and the holders of the Notes may have only very limited rights to challenge and/or seek a suspension of any decision of a resolution authority to exercise its resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise. Furthermore, even in circumstances where a claim for compensation is established under the “no creditor worse off” safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Issuer (and indirectly by the holders of the Notes) in the resolution and there can be no assurance that the Issuer (and indirectly the holders of the Notes) would recover such compensation promptly.

Risk Factors relating to the Custodian

The Issuer will hold cash and securities comprising the Mortgaged Property in respect of a Series of Notes with the Custodian on the terms of the Custody Agreement. The Custodian may hold cash and securities delivered or received by it on trust for the Issuer in custody accounts with one or more sub-custodians or depositories in accordance with terms agreed with such sub-custodians or depositories.

The ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement. The Disposal Agent’s ability to effect a Liquidation and the Trustee’s ability to enforce the Security will be dependent upon receipt by the Issuer, the Disposal Agent or the Trustee, as applicable, of deliveries from the Custodian and performance by the Custodian of its obligations under the Custody Agreement. Consequently, the Noteholders are also relying on the performance of the Custodian (and/or any relevant Sub-custodian or depository). In the event of a bankruptcy or insolvency of the Custodian (or any Sub-custodian or depository), there can be no assurance that

the Issuer will be able to obtain delivery of and/or realise the property held with the Custodian or Sub-custodian or Depository on a timely basis or at all. In particular:

- (i) except for claims to assets held on trust (or otherwise outside the insolvent estate of the Custodian, Sub-custodian or depository) claims against the Custodian, Sub-custodian and/or depository may be general unsecured claims in respect of which the Issuer is exposed to the creditworthiness of the Custodian, Sub-custodian and/or depository as the case may be;
- (ii) the same position may apply for assets which ought to have been held on trust (or otherwise outside the insolvent estate of the Custodian, Sub-custodian or depository) but either were not or have ceased to be identifiable or recoverable as trust assets or in respect of which a shortfall exists. In that regard:
 - (a) although in the accounts of the Custodian maintained for the Issuer the Custodian is required to segregate in its books and records any Collateral with respect to one Series of Notes from any Collateral for any other Series of Notes and from any assets held in other client accounts or for its own accounts, Noteholders will be at risk if the Custodian does not, in practice, maintain such a segregation;
 - (b) the Custodian may hold Collateral relating to a Series of Notes through a clearing system and/or through a Sub-custodian or other account keeper. In such cases, the Custodian's account with the clearing system, Sub-custodian or other account keeper may be held on a pooled basis (that is such Collateral may be held in an account with securities of the same type as such Collateral held by or on behalf of the Custodian for the account of other customers of the Custodian). Were a bankruptcy event to occur in relation to the Custodian and the securities held in any such pooled account are for any reason insufficient to meet in full the claims of all the customers for whom the Custodian holds securities of the same type as the Collateral, such customers (including the Issuer and therefore the Noteholders of the relevant Series) would bear any shortfall amongst themselves. Collateral held by the Custodian at Euroclear will be held in a client specific account for Collateral held in respect of the Programme (a "**Programme Specific Account**"); however, Collateral in respect of one Series of Notes will be pooled in the Programme Specific Account with assets of other Series of Notes issued under the Programme. Where Collateral is held in an account with a clearing system, Sub-custodian or other account keeper on a pooled basis with securities of the same type as such Collateral held by or on behalf of the Custodian for the account of other customers of the Custodian or in a Programme Specific Account (in respect of securities of the same type held on behalf of various Series of Notes), the Custodian is permitted to use the Collateral for the account of another client of the Custodian (or for the account of another Series in the case of Collateral held in a Programme Specific Account) in connection with facilitating settlement of trades in those securities, which may give rise to a shortfall if there were to be a subsequent settlement failure in respect of those securities; and
- (iii) even where assets are held on trust (or otherwise outside the insolvent estate of the Custodian, Sub-custodian or depository) the bankruptcy or insolvency of any of the Custodian, any relevant Sub-custodian or depository may delay the Custodian's delivery to the Issuer of the relevant assets.

None of the Custodian or any Sub-custodian or depository will have any duty or obligation to insure any Collateral held or received by it against any risk and the Custodian shall not be responsible for any loss or damage suffered by any party as a result of the Custodian performing its duties under the Custody Agreement unless the same results from its own negligence, fraud or wilful default or that of its officers, employees or agents. If and to the extent any Sub-custodians are BNY Mellon Affiliates (as defined in the Custody Agreement), the Custodian accepts the same responsibility for the acts of those Sub-custodians which are BNY Mellon Affiliates as it does for its own acts.

The Custodian's obligations under the Custody Agreement are subject to certain exclusions and limitations as set out in the Custody Agreement.

Risks relating to the Issuing and Paying Agent

Any payments made to Noteholders in accordance with the terms and conditions of the Notes will be made by the Issuing and Paying Agent on behalf of the Issuer. Pursuant to the Agency Agreement, the Issuer is to

transfer to the Issuing and Paying Agent such amount as may be due under the Notes, on or before each date on which such payment in respect of the Notes becomes due.

If the Issuing and Paying Agent, while holding funds for payment to Noteholders in respect of the Notes, is declared insolvent, the Noteholders may not receive all (or any part) of any amounts due to them in respect of the Notes from the Issuing and Paying Agent. The Issuer will still be liable to Noteholders in respect of such unpaid amounts but the Issuer will have insufficient assets to make such payments (or any part thereof) and Noteholders may not receive all, or any part, of any amounts due to them. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral, but also on the creditworthiness of the Issuing and Paying Agent in respect of the performance of its obligations under the Agency Agreement to make or facilitate payments to Noteholders.

Risks relating to the Disposal Agent

Liquidation

Where the Notes are to be redeemed other than on the Maturity Date, the Disposal Agent is generally required to sell or otherwise liquidate the Collateral. The Disposal Agent is permitted to sell all or any part of the Collateral at any time or at different times during the relevant period or in stages in respect of smaller portions, and will not have any liability for it if a higher price could have been obtained had such sale taken place at a different time during such specified period and/or had or had not been effected in stages in respect of smaller portions.

Replacement Disposal Agent

Upon the occurrence of a Disposal Agent Bankruptcy Event, the Disposal Agent's appointment will be automatically terminated and the Issuer will be required to appoint a replacement institution to take its place. Such replacement will be chosen either by the Issuer, with the prior approval of the Trustee and any relevant Swap Counterparty (unless a Swap Counterparty Event has occurred), or by the Noteholders acting by Extraordinary Resolution (subject to certain conditions set out in Condition 10(d) (*Appointment of Disposal Agent*)). Arranging for, and appointing any, such replacement may delay any required liquidation of the Collateral and related payments on the Notes.

Risks relating to Conflicts of Interest

General

Each of the Transaction Parties and any of their affiliates is acting or may act in a number of capacities in connection with any issue of Notes. The Transaction Parties and each of their respective affiliates when acting in such capacities in connection with the transactions described herein in respect of any Series of Notes shall have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and shall not, by virtue of its or any other affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. The Transaction Parties and any of their respective affiliates in their various capacities in connection with the contemplated transactions may enter into business dealings, including the acquisition of the Notes, from which they may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor.

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

The Transaction Parties and any of their respective affiliates may deal in any obligation of the issuer or obligor of any Collateral and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the issuer or obligor of any Collateral and may act with respect to such transactions in the same manner as if the relevant Swap Agreement, if applicable, and the Notes of the relevant Series did not exist and without regard to whether any

such action might have an adverse effect on the issuer or obligor of any Collateral, the Issuer or the holders of the Notes of the relevant Series.

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

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

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

When acting as a trustee, paying agent, custodian, disposal agent or in any other service capacity with respect to any Collateral, a Transaction Party may be entitled to fees, charges and expenses senior in priority to payments on such Collateral. When acting as a trustee for other classes of securities or any other assets issued by the issuer or obligor of any Collateral or an affiliate thereof, a Transaction Party may owe fiduciary duties to the holders of such other classes of securities or assets, which classes of securities or assets may have differing interests from the holders of the class of securities or assets of which the relevant Collateral is a part, and may take actions that are adverse to the holders (including, where applicable, the Issuer) of the class of securities or assets of which the relevant Collateral is a part. As a counterparty under swaps and other derivative agreements, a Transaction Party may take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralisation of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, a Transaction Party may take action including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the issuers of, or obligors with respect to, any Collateral in bankruptcy and/or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's acquisition, holding and sale of any Collateral may enhance the profitability or value of investments made by any Transaction Party in the issuers thereof or obligors in respect thereof. As a result of such transactions or arrangements between any Transaction Party and issuers of, and obligors with respect to, any Collateral or their respective affiliates, the Transaction Parties may have interests that are contrary to the interests of the Issuer and/or Noteholders.

The Trustee

In connection with the exercise of its functions, the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the

Trustee shall not be entitled to require, nor shall any Noteholder or any other person be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders. In acting as Trustee under the Principal Trust Deed and any Trust Deed, the Trustee shall not, in respect of Notes of any Series, assume any duty or responsibility to any Swap Counterparty (other than to pay to any Swap Counterparty any moneys received and payable to it and to act in accordance with the Conditions) and shall have regard solely to the interests of the Noteholders and shall not be obliged to act on any directions of the Swap Counterparty if this would, in the Trustee's opinion, be contrary to the interests of the Noteholders.

The Swap Counterparties

Prospective investors should be aware that, if the Issuer enters into a Swap Agreement in connection with the Notes, where the relevant Swap Counterparty is entitled to exercise its discretion or to undertake a decision in such capacity in respect of the Swap Agreement (including any right to terminate the Swap Agreement), in respect of the terms and conditions or otherwise in respect of the Notes, unless specified to the contrary therein, the relevant Swap Counterparty will be entitled to act in its absolute discretion and will be under no obligation to, and will not assume any fiduciary duty or responsibility for, the Noteholders or any other person. In exercising its discretion or deciding upon a course of action, the relevant Swap Counterparty shall attempt to maximise the beneficial outcome for itself (that is maximise any payments due to it and minimise any payments due from it) and will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its affiliates that may result directly or indirectly from any such selection.

Risk Factors relating to the market

Limited liquidity of the Notes

Although application may be made to admit the Notes to the Official List or the official list of another stock exchange and to admit them to trading on the Main Securities Market or the regulated market of another stock exchange, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity or that it will continue for the life of the Notes. Consequently, any investor of the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If the Arranger or any Dealer begins making a market for the Notes, it is under no obligation to continue to do so and may stop making a market at any time.

Credit ratings

Notes may or may not be rated. It is anticipated that all Notes to be issued by Takumi II Limited will be rated by Moody's and that all Notes to be issued by Takumi III Limited will be rated by R&I. The relevant Final Terms or Tranche Prospectus, if applicable, for any Notes will specify if such rating is a condition to the issue of such Notes. The rating(s) will be on the basis of the assessment of each relevant Rating Agency of the ratings of any relevant Collateral, the rating of any relevant Swap Counterparty and the terms of the Notes. A security rating is not a recommendation to buy, sell or hold any Notes, inasmuch as such rating does not comment as to market price or suitability for a particular purchaser. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a Rating Agency if, in its judgement, circumstances in the future so warrant. In the event that a rating initially assigned to any Notes is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to such Notes and the market value of such Notes is likely to be adversely affected.

Prospective investors should ensure they understand what any rating associated with the Notes (whether of the Notes themselves, of the obligor of any relevant Collateral (or any guarantor or credit support provider in respect thereof), of any relevant Swap Counterparty or of any other party or entity involved in or related to the Notes) means and what it addresses and what it does not address.

The assignment of a rating to the Notes should not be treated by a prospective investor as meaning that such investor does not need to make its own investigations into, and determinations of, the risks and merits of an investment in the Notes.

During its holding of a Note, a Noteholder should take such steps as it considers necessary to evaluate the ongoing risks and merits of a continued investment in such Note. Such steps should not rely solely on ratings.

In particular, prospective investors should not rely solely on downgrades of ratings as indicators of deteriorating credit. Market indicators (such as rising credit default spreads and yield spreads with respect to the relevant entity) often indicate significant credit issues prior to any downgrade. During the global financial crisis, rating agencies were the subject of criticism from a number of global governmental bodies that they did not downgrade entities on a sufficiently quick basis.

Prospective investors who place too much reliance on ratings, or who do not understand what the rating addresses, may be subject to losses as a result.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on Notes issued under the Programme in the currency of such Notes. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Noteholder's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Noteholder's Currency) and the risk that authorities with jurisdiction over the Noteholder's Currency may impose or modify exchange controls. An appreciation in the value of the Noteholder's Currency relative to the Specified Currency would decrease (i) the Noteholder's Currency equivalent yield on the Notes, (ii) the Noteholder's Currency equivalent value of the principal payable on the Notes and (iii) the Noteholder's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest or principal than expected and may receive no interest or principal.

Interest rate risks

Investment in Notes issued under the Programme may involve the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Risks relating to Global Events

General

Since mid-2007, the global economy and financial markets have experienced extreme levels of instability.

The initial trigger for the instability was a downturn in the U.S. housing market. By mid-2007, concerns about the value of mortgage assets held by global commercial banks, investment banks, government sponsored entities, hedge funds, structured investment vehicles and institutional investors led to a general tightening of available credit and liquidity in the global financial markets.

During 2008, the initial instability intensified into a severe global financial crisis.

In response to the crisis various governments and central banks took substantial measures to ease liquidity problems and enacted fiscal stimulus packages and measures to support certain entities affected by the crisis. Such measures included establishing special liquidity schemes and credit facilities, bank recapitalisation programmes and credit guarantee schemes.

In an attempt to counteract recessionary pressures, the central banks of the U.S., the U.K. and certain other countries and the European Central Bank also lowered interest rates, in some cases to record low levels.

No assurance can be given that any recovery will be sustained or that certain economies will not encounter a "double dip" recession. In particular, a number of countries have accumulated significant levels of public debt both absolutely and relative to GDP. This has led to international "bail-outs" of certain countries and resulted in general concerns about sovereign credit defaults which could undermine any recovery and could have the effect of taking the credit crisis into a new recessionary phase.

The above factors have also led to substantial volatility in markets across asset classes, including (without limitation) stock markets, foreign exchange markets, fixed income markets and credit markets.

There can be no assurance that the steps taken by governments or international or supra-national bodies to ameliorate the global financial crisis will be successful or that any recovery will continue. The structure, nature and regulation of financial markets in the future may be fundamentally altered as a consequence of the global financial crisis, possibly in unforeseen ways. There can be no assurance that similar or greater disruption may not occur in the future for similar or other reasons. In addition, the attempts being taken to reduce the high level of sovereign debt may themselves contribute to a further global recession.

There can be no assurance as to how severe the global recession will be or as to how long it will last. There can be no assurance that government actions or the actions of international or supra-national bodies to limit the impact of the crisis will be successful and that they will not instead lead or contribute to a deeper and/or longer-lasting recession. Economic prospects are subject to considerable uncertainty.

Prospective investors should ensure that they have sufficient knowledge and awareness of the global financial crisis and the response thereto and of the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Notes. In particular, prospective investors should take into account the considerable uncertainty as to how the global financial crisis and the wider economic situation will develop over time.

Any person who had held securities during the periods considered above, particularly structured securities, would be highly likely to have suffered significant adverse effects as a result of such holding, including, but not limited to, major reductions in the value of those securities and a lack of liquidity. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in the Notes.

Impact on Liquidity

The events outlined above have had an extremely negative effect on the liquidity of financial markets generally and in the markets in respect of certain financial assets or in the obligations of certain obligors. This has particularly been the case with respect to the market for structured assets and the obligations of financial institutions and certain sovereigns. Such assets may either not be saleable at all or may only be saleable at significant discounts to their estimated fair value or to the amount originally invested. No assurance can be given that liquidity in the market generally, or in the market for any particular asset class or in the obligations of any particular financial institution or sovereign, will improve or that it will not worsen in the future. Such limited liquidity may have a negative impact on the value of the Notes, the value of the Collateral or the value of the relevant Swap Agreement, both in terms of the assets or indices referenced and in terms of the value of the obligations of the relevant Swap Counterparty. In particular, should the Notes be redeemed early, Noteholders will be exposed to the realisation value of the Collateral and the termination value of the relevant Swap Agreement, which value might be affected (in some cases significantly) by such lack of liquidity.

Concerns about the creditworthiness of the Custodian, the Issuing and Paying Agent and the other Paying Agents may also impact the value of the Notes.

Impact on Credit

The events outlined above have negatively affected the creditworthiness of a number of entities or governments, in some cases to the extent of collapse or requiring rescue from governments or international or supra-national bodies. Such credit deterioration has and may continue to be widespread. The value of the Notes or of the amount of payments under them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have in some cases been *de minimis* and that similarly low recovery levels may be experienced with respect to other entities or governments in the future which may include the obligors of the Collateral (or any guarantor or credit support provider in respect thereof), the relevant Swap Counterparty and the Swap Guarantor (if any). Prospective investors should also consider the impact of a default by a Custodian, Issuing and Paying Agent or Paying Agent and possible delays and costs in being able to access property held with a failed custodian.

Impact on Valuations and Calculations

Since 2007, actively traded markets for a number of asset classes and obligors have either ceased to exist or have reduced significantly. To the extent that valuations or calculations in respect of instruments related to those asset classes were based on quoted market prices or market inputs, the lack or limited availability of such market prices or inputs has significantly impaired the ability to make accurate valuations or calculations in respect of such instruments. No assurance can be given that similar impairment may not occur in the future.

Furthermore, in a number of asset classes, a significant reliance has historically been placed on valuations derived from models that use inputs that are not observable in the markets and/or that are based on historical data and trends. Such models often rely on certain assumptions about the values or behaviour of such unobservable inputs or about the behaviour of the markets generally or interpolate future outcomes from historical data. In a number of cases, the extent of the market volatility and disruption has resulted in the assumptions being incorrect to a significant degree or in extreme departures from historical trends. Where reliance is placed on historical data, in certain instances such data may only be available for relatively short time periods (for example, data with respect to prices in relatively new markets) and such data may not be as statistically representative as data for longer periods.

Prospective investors should be aware of the risks inherent in any valuation or calculation that is determined by reference to a model and that certain assumptions will be made in operating the model which may prove to be incorrect and give rise to significantly different outcomes to those predicted by the model.

Impact of Increased Regulation and Nationalisation

The events since 2007 have seen increased involvement of governmental and regulatory authorities in the financial sector and in the operation of financial institutions. In particular, governmental and regulatory authorities in a number of jurisdictions have imposed stricter regulatory controls around certain financial activities and/or have indicated that they intend to impose such controls in the future. The United States of America, the European Union and other jurisdictions are actively considering or are in the process of implementing various reform measures. Such regulatory changes and the method of their implementation may have a significant impact on the operation of the financial markets. It is uncertain how a changed regulatory environment will affect the Issuer, the treatment of instruments such as the Notes, the Arranger, the relevant Swap Counterparty and the other Transaction Parties. In addition, governments have shown an increased willingness, wholly or partially to nationalise financial institutions, corporates and other entities in order to support the economy. Such nationalisation may impact adversely on the value of the stock or other obligations of any such entity. In addition, in order to effect such nationalisation, existing obligations or stock might have their terms mandatorily amended or be forcibly redeemed. To the extent that the obligors of the Collateral (or any guarantor or credit support provider in respect thereof), the relevant Swap Counterparty or any other person or entity connected with the Notes is subject to nationalisation or other government intervention, it may have an adverse effect on a holder of a Note.

Systemic Risk

Financial institutions and other significant participants in the financial markets that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as “systemic risk”. Financial institutions such as the Arranger, the Dealer(s), the Trustee, the relevant Swap Counterparty, the Custodian and the Agents (or any affiliate of any of them) and any obligors of the Collateral (or any guarantor or credit support provider in respect thereof) that are financial institutions or are significant participants in the financial markets are likely routinely to execute a high volume of transactions with various types of counterparties, including brokers and dealers, commercial banks, investment banks, insurers, mutual and hedge funds and institutional clients. To the extent they do so, they are and will continue to be exposed to the risk of loss if counterparties fail or are otherwise unable to meet their obligations. In addition, a default by a financial institution or other significant participant in the financial markets, or concerns about the ability of a financial institution or other significant participant in the financial markets to meet its obligations, could lead to further significant systemic liquidity problems and other problems that could exacerbate the global financial crisis and as such have a material adverse impact on other entities.

UK’s exit from the European Union

On 23 June 2016, the United Kingdom held a referendum to decide on the United Kingdom’s membership of the European Union. The United Kingdom vote was to leave the European Union. The European Union (Notification of Withdrawal) Bill was passed on 13 March 2017 and received Royal Assent on 16 March 2017. There are a number of uncertainties in connection with the future of the United Kingdom and its relationship with the European Union. The negotiation of the United Kingdom’s exit terms is likely to take a number of years. Until the terms and timing of the United Kingdom’s exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the United Kingdom’s departure from the European Union and/or any related matters may have on our United Kingdom or European operations.

Currently, under the EU single market directives, mutual access rights to markets and market infrastructure exist across the EU and the mutual recognition of insolvency, bank recovery and resolution regimes applies. Depending on the terms of the United Kingdom's exit and the terms of any replacement relationship, there can be no assurance that the terms of the United Kingdom's exit from the EU will include arrangements for the continuation of mutual access rights to market infrastructure and recognition of insolvency, bank recovery and resolution regimes. Such uncertainty could adversely impact our European operations.

MASTER CONDITIONS

*The following is the text of the master terms and conditions applicable to Notes issued under the Programme (the “**Master Conditions**”). The text of these Master Conditions, subject to completion by the provisions of Part A of the relevant Final Terms or Tranche Prospectus, if applicable, shall be applicable to the Notes in definitive form (if any). The full text of these Master Conditions together with the relevant provisions of Part A of the relevant Final Terms or Tranche Prospectus, if applicable, shall be endorsed on such Bearer Notes or on the Certificates relating to Registered Notes. In respect of the Notes, “**Conditions**” shall mean (i) to the extent that the Notes are in definitive form, the text of these Master Conditions as completed by the provisions of Part A of the relevant Final Terms or Tranche Prospectus, if applicable, and (ii) to the extent that the Notes are represented by a Global Note or Global Certificate, as the case may be, these Master Conditions as completed by the provisions of Part A of the relevant Final Terms or Tranche Prospectus, if applicable, and by the terms of the Global Note or Global Certificate, as the case may be. In respect of the Notes, “**Final Terms**” means the final terms issued specifying the relevant issue details of the Notes in the form specified in “Form of Final Terms”. All capitalised terms that are not defined in the Conditions will have the meanings given to them in the Trust Deed (as defined below). Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “**Notes**” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are constituted and secured by a supplemental trust deed dated the issue date of the first Tranche of the Notes as amended, supplemented, restated and/or novated from time to time, (the “**Supplemental Trust Deed**”) and made between the Issuer, BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)) and, if applicable, the other persons specified therein, supplemental to an amended and restated trust deed dated 7 December 2018 (as amended, supplemented, restated and/or novated as at the Issue Date, the “**Principal Trust Deed**”) and made between the Issuer and the Trustee, as trustee for the Noteholders (as defined below). The Principal Trust Deed and the Supplemental Trust Deed are referred to together as the “**Trust Deed**”. These Master Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An amended and restated agency agreement dated 7 December 2018 (as further amended or supplemented as at the Issue Date, the “**Agency Agreement**”) has been entered into in relation to the Notes between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent and as calculation agent, SMBC Nikko Capital Markets Limited as disposal agent, SMBC Nikko Securities Inc. or SMBC Nikko Capital Markets Limited as determination agent and the other agents named in it. An amended and restated custody agreement dated 7 December 2018 (as further amended or supplemented as at the Issue Date, the “**Custody Agreement**”) has been entered into between the Issuer, the Trustee and The Bank of New York Mellon, London Branch as custodian. The issuing and paying agent, the custodian, the paying agents, the registrar, the transfer agents, the calculation agent, the determination agent and the disposal agent for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Custodian**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar), the “**Calculation Agent**”, the “**Determination Agent**” and the “**Disposal Agent**” and collectively as the “**Agents**”. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

All capitalised terms that are not defined in the Conditions will have the meanings given to them in the Trust Deed, the absence of any such meaning indicating that such term is not applicable to the Notes. In the event of any inconsistency between the terms of the Supplemental Trust Deed and the terms of the Principal Trust Deed, the terms of the Supplemental Trust Deed shall prevail. In the event of any inconsistency between the Master Conditions and the terms of the relevant Final Terms or Tranche Prospectus, if applicable, the terms of the relevant Final Terms or Tranche Prospectus, if applicable, shall prevail. In the event of any inconsistency between the terms of the Trust Deed, the Master

Conditions and the terms of the relevant Final Terms or Tranche Prospectus, if applicable, the terms of the relevant Final Terms or Tranche Prospectus, if applicable, shall prevail. References in the Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 (*Redemption and Purchase*) (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6 (*Interest*).

1 Form, Specified Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Specified Denomination(s) specified in the relevant Final Terms or Tranche Prospectus, if applicable.

All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note or a Floating Rate Note, as specified in the relevant Final Terms or Tranche Prospectus, if applicable.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure will be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In the Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be).

2 Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfers of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be subject to and effected in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(b) (*Transfers of Registered Notes*) shall be available for delivery within three business days of the surrender of the relevant Certificate together with the requisite form of transfer. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c) (*Delivery of New Certificates*), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) Transfers Free of Charge

Transfers of Notes and Certificates shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the Maturity Date, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer at its option pursuant to Condition 7(e) (*Redemption at the Option of the Issuer*), (iii) after the occurrence of any Early Redemption Event and/or any Liquidation Event or (iv) during the period of seven days ending on (and including) any Record Date.

3 Constitution, Status, Collateral and Non-applicability

(a) Constitution and Status of Notes

The Notes are constituted and secured by the Trust Deed. The Notes are secured, limited recourse obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 4 (*Security*) and recourse in respect of which is limited in the manner described in Condition 16(a) (*General Limited Recourse*).

(b) Collateral

In connection with the issue of the Notes the “**Collateral**” shall comprise the following rights, title and/or interests (if any) of the Issuer in and to one or more transferable securities (the “**Securities**”) issued by or representing obligations of one or more persons, which will include any securities transferred by the Swap Counterparty to the Issuer pursuant to the relevant Credit Support Annex as defined below (if any) (the “**Posted Securities**”).

The initial Collateral (excluding for these purposes any Posted Securities) shall be as specified in the relevant Final Terms or Tranche Prospectus, if applicable. The term “Collateral” shall include the rights, title and/or interests in (i) any further Collateral acquired by the Issuer in connection with any further issue of notes that are to be consolidated and form a single series with the Notes, (ii) any Collateral acquired by the Issuer by way of substitution or replacement of any Collateral previously held by it, (iii) any asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) into which any of the Collateral is converted, exchanged, or issued to the Issuer by virtue of its holding of any of the Collateral and (iv) any Cash Collateral standing to the credit of the Cash Account.

In connection with the issue of the Notes, the Issuer may enter into a collateral sale agreement for the sale and purchase of the Collateral (the “**Collateral Sale Agreement**”), on or about the relevant Issue Date, with SMBC Nikko Securities Inc. or SMBC Nikko Capital Markets Limited (in each case, the “**Vendor**”).

In addition, in connection with the issue of the Notes, the Issuer has entered into (i) a 2002 ISDA Master Agreement, together with a schedule thereto, with SMBC Nikko Securities Inc. dated as of 8 December 2011 (the “**SMBCNS ISDA Master Agreement**”), and (ii) a 2002 ISDA Master Agreement, together with a schedule, with SMBC Nikko Capital Markets Limited dated as of 7 December 2012 (the “**SMBCNK ISDA Master Agreement**”). SMBC Nikko Securities Inc. and SMBC Nikko Capital Markets Limited shall together be referred to as the “**Swap Counterparties**” and individually as a “**Swap Counterparty**”. The SMBCNS ISDA Master Agreement and the SMBCNK ISDA Master Agreement shall together be referred to as the “**ISDA Master Agreements**” and individually as an “**ISDA Master Agreement**”.

A reference to a Swap Counterparty shall be to such Swap Counterparty in respect of a Swap Agreement relating to a Series of Notes.

In connection with the issue of the Notes, the Issuer may enter into one or more transactions pursuant to one or more ISDA Master Agreements (each such transaction, a “**Swap Transaction**”, and, together with the confirmation(s) evidencing such transaction(s) and the relevant ISDA Master Agreement, a “**Swap Agreement**”).

Where SMBC Nikko Securities Inc. is the Swap Counterparty for a Series of Notes, the Swap Counterparty and the Issuer may enter into a credit support annex to the schedule to the relevant ISDA Master Agreement in the form of the ISDA Credit Support Annex (Bilateral Form – Transfer) (the “**Credit Support Annex**”). Any such Credit Support Annex entered into between the Swap Counterparty and the Issuer will supplement, form part of, and be subject to, the relevant Swap Agreement. Any such Credit Support Annex shall be on the terms set out in the Master Credit Support Annex dated 8 December 2017 between the Swap Counterparty and the Issuer, as supplemented and amended by the relevant Final Terms or Tranche Prospectus, as applicable.

[The SMBCNK ISDA Master Agreement was amended by the Issuer and SMBC Nikko Capital Markets Limited pursuant to an EMIR ISDA Master Amendment Deed dated 26 September 2013 so as to reflect their agreement in respect of certain reconciliation and dispute resolution obligations imposed by Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (“**EMIR**”) in relation to Swap Transactions entered into between them. Such obligations are as set out in an annex (the “**EMIR Annex**”) to the SMBCNK ISDA Master Agreement and all references herein to the relevant ISDA Master Agreement in relation to the Issuer and SMBC Nikko Capital Markets Limited shall be construed as references to the SMBCNK ISDA Master Agreement as so supplemented and amended by the EMIR Annex.]¹

The obligations of SMBC Nikko Capital Markets Limited under its ISDA Master Agreement are guaranteed by Sumitomo Mitsui Banking Corporation (the “**Swap Guarantor**”).

(c) Mortgaged Property and Secured Payment Obligations

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

“**Mortgaged Property**” means:

- (i) the Collateral (if any) and all property, assets and sums derived therefrom; and the Cash Account;
- (ii) the rights and interest of the Issuer in and under the relevant Swap Agreement (if any) and the rights, title and interest of the Issuer in all property, assets and sums derived from such Swap Agreement;
- (iii) the rights and interest of the Issuer under the Agency Agreement and the Custody Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from such agreements; and

¹ Provision in square brackets only applies where the Issuer is Takumi I Limited.

- (iv) the rights, title and interest of the Issuer in any other assets, property, income, rights and/or agreements of the Issuer from time to time charged or assigned or otherwise made subject to the security created by the Issuer in favour of the Trustee for the benefit of the Secured Creditors pursuant to the Trust Deed, in each case securing the Secured Payment Obligations and includes where the context permits any part of that Mortgaged Property.

“**Rating Agency**” means each rating agency that rates the Notes at the request of the Issuer and that has not withdrawn or discontinued its rating. Each initial Rating Agency (if any) shall be specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“**Secured Creditor**” means each person that is entitled to the benefit of Secured Payment Obligations.

“**Secured Payment Obligations**” means the payment obligations of the Issuer under the Trust Deed, the relevant Swap Agreement, the Custody Agreement, the Agency Agreement and each Note, Coupon and Talon, together with any obligation of the Issuer to reimburse the Issuing and Paying Agent in respect of payments made in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Payment Obligation.

“**Transaction Document**” means each of the Trust Deed, any Other Security Document (if applicable), the Agency Agreement, the Custody Agreement, the Dealer Agreement, the relevant Swap Agreement (if any) and the relevant Collateral Sale Agreement (if any).

“**Transaction Party**” means each party to a Transaction Document other than the Issuer.

(d) Non-applicability

Where no reference is made in the Supplemental Trust Deed and the relevant Final Terms or Tranche Prospectus, if applicable, to any Collateral, references in the Conditions to any such Collateral, to any Secured Payment Obligation relating to such Collateral and to any related Collateral Obligor or Secured Creditor relating to such Collateral, as the case may be, shall not be applicable. Where no reference is made in the Supplemental Trust Deed and the relevant Final Terms or Tranche Prospectus, if applicable, to any Swap Agreement and/or Swap Counterparty and/or Swap Guarantor and/or Credit Support Annex, references in the Conditions thereto shall not be applicable. Where no reference is made in the Supplemental Trust Deed to any Rating Agency rating the Notes, references in these Master Conditions to any Rating Agency shall not be applicable.

(e) Expert Confirmation

The Trustee shall be entitled to assume, without further investigation or inquiry, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to the Trust Deed or any other Transaction Document (including, without limitation, any consent, approval, modification, waiver, authorisation or determination), that such exercise will not be materially prejudicial to the interests of the Noteholders, if an expert confirmation in respect of the ratings of any rated Notes (and the Trustee shall be entitled to determine who an expert is in respect of such matters for the purposes of this sub-clause) has been received prior to the Trustee exercising or performing such right, power, trust, authority, duty or discretion.

(f) Substitution with Cash Collateral

- (i) In the event that the Vendor does not deliver to the Issuer on the Issue Date all or any part of the Collateral, the Issuer shall, on the Issue Date, deposit the Cash Collateral into the Cash Account. The Cash Collateral shall form part of the Collateral and shall be subject to the security interest in favour of the Trustee created pursuant to the Trust Deed.
- (ii) The Vendor will use reasonable endeavours to pursue delivery of the Collateral to the Issuer in accordance with normal market practice. In the event the Vendor delivers the Collateral (or part thereof) to the Issuer after the Issue Date, the Issuer shall substitute the Collateral (or part thereof) for an amount of Cash Collateral held in the Cash Account equivalent to the aggregate Purchase Price of the Collateral so delivered. Such Collateral shall be deposited

with the Custodian pursuant to the Custody Agreement. From the time of such deposit, such amounts removed from the Cash Account will not form part of the Collateral and shall be deemed automatically released by the Trustee (without any action being required by the Trustee) from the security interests created pursuant to the Trust Deed.

(iii) The Issuer's ability to deposit cash on the Issue Date shall be for the purposes of ensuring that the Notes are fully secured. Any interest earned on the Cash Account in connection with the Cash Collateral shall be paid by the Issuer to the relevant Swap Counterparty under the Swap Agreement. For the avoidance of doubt, any substitution pursuant to this Condition 3(f) (*Substitution with Cash Collateral*) shall not affect the payments by the Swap Counterparty to the Issuer under the Swap Agreement.

(iv) As used herein:

"Cash Account" means the account in the name of the Issuer, as specified in the Supplemental Trust Deed relating to the Notes.

"Cash Collateral" means an amount equal to the aggregate purchase price of the principal amount of the Collateral not delivered by the Vendor to the Issuer on the Issue Date pursuant to the Collateral Sale Agreement.

"Purchase Price" has the meaning as set out in the Collateral Sale Agreement.

4 Security

(a) Security

Unless otherwise specified in the Supplemental Trust Deed, the Secured Payment Obligations are secured in favour of the Trustee for the benefit of the Secured Creditors, pursuant to the Trust Deed, by:

- (i) a first fixed charge over (x) the Collateral (if any) and all property, assets and sums derived therefrom; and (y) the Cash Account;
- (ii) an assignment by way of security of all the Issuer's rights, title and interest attaching or relating to the Collateral and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- (iii) an assignment by way of security of the Issuer's rights, title and/or interest against the Custodian, to the extent that they relate to the Collateral;
- (iv) an assignment by way of security of the Issuer's rights, title and/or interest under the Agency Agreement, to the extent that they relate to the Notes;
- (v) an assignment by way of security of the Issuer's rights, title and/or interest under the Swap Agreement (if any);
- (vi) an assignment by way of security of the Issuer's rights against the Disposal Agent under the terms of the Agency Agreement (or any other agreement entered into between the Issuer and the Disposal Agent), to the extent that such rights relate to the Collateral;
- (vii) an assignment by way of security of the Issuer's rights, title and interest under the Custody Agreement, to the extent that they relate to any assets held by the Custodian in respect of the Notes;
- (viii) an assignment by way of security of the Issuer's rights, title and/or interest under the Collateral Sale Agreement (if any);

- (ix) a first fixed charge over (A) all sums held by the Issuing and Paying Agent and/or the Custodian to meet payments due in respect of any Secured Payment Obligation, and (B) any sums received by the Issuing and Paying Agent under the relevant Swap Agreement; and
- (x) a first fixed charge over all property, sums and assets held or received by the Disposal Agent relating to the Transaction Documents and the Collateral, to the extent that they relate to the Notes.

Notwithstanding the above, investors should note that where any Collateral and/or any property, assets and sums derived therefrom are held by the Custodian in book-entry form, the security interests granted in respect of the same might, as a result of such book-entry holding, take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Collateral and/or property, assets and sums derived therefrom, as the case may be, rather than a charge over such Collateral and/or property, assets and sums derived therefrom, themselves.

Additionally, the Secured Payment Obligations of the Issuer may be secured pursuant to a security document other than the Trust Deed (an "**Other Security Document**"), as specified in the relevant Supplemental Trust Deed.

References in the Conditions to "**Security**" are to the security constituted by the Trust Deed and any Other Security Document (if applicable).

(b) Substitution of Mortgaged Property

If specified in the relevant Final Terms or Tranche Prospectus, if applicable, the Issuer may from time to time if so directed by an Extraordinary Resolution or, where the Trustee is satisfied that such substitution is not materially prejudicial to the interests of the Noteholders, upon agreement with the Trustee, and, in either case, with the prior written consent of the relevant Swap Counterparty, substitute alternative Mortgaged Property for such of the Mortgaged Property as it may deem appropriate. Any such alternative Mortgaged Property shall be held subject to the Security in favour of the Trustee for the benefit of the Secured Creditors, and the Issuer shall execute such further documentation as the Trustee may require in order to constitute such Security as a condition to such substitution. If the Noteholders or the Trustee (where satisfied as stated above) and the relevant Swap Counterparty agree to a substitution, the Issuer shall notify the Noteholders thereof in accordance with Condition 21 (*Notices*) and, if the Notes are listed on any stock exchange, the Issuer shall also notify such stock exchange of such substitution. The Issuer shall notify each relevant Rating Agency then rating the outstanding Notes of any event.

(c) Issuer's rights as beneficial owner of Collateral

Prior to the Trustee effectively giving a valid Enforcement Notice to the Issuer (copied to the Custodian and the Disposal Agent), the Issuer may, with the sanction of an Extraordinary Resolution or with the prior written consent of the Trustee:

- (i) take such action in relation to the Mortgaged Property as it may think expedient; and
- (ii) exercise any rights incidental to the ownership of the Mortgaged Property and, in particular (but, without limitation, and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any ownership interests in respect of such property.

The Issuer will not exercise any rights with respect to any Mortgaged Property unless it has the consents referred to above or is directed to do so by an Extraordinary Resolution and, if such direction or consent is given, the Issuer will act only in accordance with such direction or consent.

(d) Disposal Agent's right following Liquidation Event

Notwithstanding the above, following the effective delivery of a valid Liquidation Commencement Notice to the Disposal Agent (copied to each of the other Transaction Parties) the Disposal Agent on behalf of the Issuer shall have the right to undertake any action as contemplated by the Conditions and the Agency Agreement as it considers appropriate, and any actions in furtherance

thereof or ancillary thereto as they relate to the Collateral, without requiring any sanction referred to therein. Pursuant to the terms of the Trust Deed, upon the effective delivery of a valid Liquidation Commencement Notice to the Disposal Agent (copied to each of the other Transaction Parties), the Security described in Condition 4(a) (*Security*) will automatically be released without further action on the part of the Trustee to the extent necessary to effect the Liquidation (as defined in Condition 13 (*Liquidation*)) of the Collateral; provided that nothing in this Condition 4(d) (*Disposal Agent's right following Liquidation Event*) will operate to release the charges and other security interests over the proceeds of the Liquidation of the Collateral.

5 Restrictions

So long as any of the Notes remain outstanding, the Issuer shall not, without the prior consent in writing of the Trustee but subject to the provisions of Condition 13 (*Liquidation*) and except as provided for or contemplated in the Conditions or any Transaction Document (and as provided below):

- (a) engage in any business other than the issuance or entry into of Obligations, the entry into of related agreements and transactions and the performing of acts incidental thereto or necessary in connection therewith, and provided that:
 - (i) such Obligations are secured on assets of the Issuer other than the Issuer's share capital and any assets securing any other Obligations (other than Equivalent Obligations); and
 - (ii) such Obligations and any related agreements contain provisions that limit the recourse of any holder of, or counterparty to, such Obligations and of any party to any related agreement to assets other than those to which any other Obligations (other than Equivalent Obligations) have recourse;
- (b) sell, transfer or otherwise dispose of any of the Mortgaged Property or any right or interest therein or create any mortgage, charge or other security or right of recourse in respect thereof (other than as contemplated by the Trust Deed, the Conditions and/or any Other Security Document);
- (c) subject to provision 7.1.31 of the Principal Trust Deed, cause or permit the relevant Swap Agreement or the priority of the Security created by the Trust Deed and/or any Other Security Document to be amended, terminated or discharged (other than as contemplated by the Trust Deed, such Other Security Document and/or the Conditions);
- (d) release any party to the relevant Swap Agreement, the Trust Deed or any Other Security Document from any existing obligations thereunder (other than as contemplated by the Trust Deed, the Conditions and/or such Other Security Document);
- (e) have any subsidiaries (although, for the avoidance of doubt, it may establish branches);
- (f) consent to any variation of, or exercise any powers of consent or waiver pursuant to, the terms of the Trust Deed, Other Security Document, the relevant Swap Agreement, the Conditions or any other Transaction Document (other than as contemplated by the Trust Deed, such Other Security Document and/or the Conditions and/or any other Transaction Document);
- (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the Trust Deed and the Conditions, including without limitation in connection with a substitution of the Issuer under the Notes and the relevant Swap Agreement as provided in the Trust Deed and the Conditions for such Notes and the relevant Swap Agreement);
- (h) have any employees;
- (i) issue any shares (other than such shares as are in issue at the date hereof) or make any distribution to its shareholders;
- (j) open or have any interest in any account with a bank or financial institution unless (i) such account relates to the issuance or entry into of Obligations and such Obligations have the benefit of security

over the Issuer's interest in such account or (ii) such account is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;

- (k) declare any dividends;
- (l) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- (m) guarantee, act as surety for or become obliged for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (n) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
- (o) except as is required in connection with the issuance or entry into of Obligations, advance or lend any of its moneys or assets, including but not limited to the Mortgaged Property, to any other entity or person; or
- (p) approve, sanction or propose any amendment to its constitutional documents without prior notification to any Rating Agency that rates the Notes.

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

"Equivalent Obligations" means, in respect of any Obligations which are issued in fungible form, all Obligations that are fungible with one another and which share common terms and conditions.

"Obligation" means any obligation of the Issuer for the payment or repayment of borrowed money which shall include, without limitation, any Note and any other obligation that is in the form of, or represented by, a bond, note, certificated debt security or other debt security and any obligation that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

6 Interest

If the relevant Final Terms or Tranche Prospectus, if applicable, specify that interest applies to the Notes, each Note will bear interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(e) (*Interest Payable*).

(a) Fixed Rate Notes

The Rate of Interest in respect of Fixed Rate Notes for each Interest Period shall be the rate specified in the relevant Final Terms or Tranche Prospectus, if applicable, and the Interest Amount shall be the Fixed Coupon Amount and/or the Broken Amount (for a period that is longer/shorter than other interest periods) (if any).

(b) Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Period shall be determined in accordance with the provisions below relating to either ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms or Tranche Prospectus, if applicable. In either case, if the Rate of Interest cannot be determined in accordance with the method specified in the Final Terms or Tranche Prospectus, if applicable, the Determination Agent shall determine such Rate of Interest in its sole discretion acting in good faith and in a commercially reasonable manner.

(i) ISDA Determination for Floating Rate Notes:

Where ISDA Determination is specified in the relevant Final Terms or Tranche Prospectus, if applicable, as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate, subject as provided in Condition 6(d) (*Margin, Maximum Rate of Interest or Minimum Rate of Interest*). For the purposes of this paragraph (b)(i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the relevant Final Terms or Tranche Prospectus, if applicable;
- (B) the Designated Maturity is the period specified in the relevant Final Terms or Tranche Prospectus, if applicable; and
- (C) the relevant Reset Date is the first day of that Interest Period.

For the purposes of this paragraph (b)(i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes:

- (A) Where Screen Rate Determination is specified in the relevant Final Terms or Tranche Prospectus, if applicable, as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below and to Condition 6(d) (*Margin, Maximum Rate of Interest or Minimum Rate of Interest*), be either:

- (I) the offered quotation; or
- (II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;

- (B) if the Relevant Screen Page is not available or if paragraph (b)(ii)(A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (b)(ii)(A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the Relevant Time, subject as provided below, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (C) if paragraph (b)(ii)(B) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a

percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph (b)(ii)(C), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or maximum or minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or maximum or minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or maximum or minimum Rate of Interest relating to that last preceding Interest Period).

(c) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption save that if, upon due presentation, payment of the full amount of principal and/or interest due on such due date for redemption is improperly withheld or refused, interest will accrue daily on the unpaid amount of principal and/or interest (after as well as before judgment and regardless of the Interest Basis) from and including the due date for redemption to but excluding the Relevant Date at the rate for each calendar day equal to the rate for deposits in the Specified Currency, as determined by the Calculation Agent or the Determination Agent in accordance with Condition 6(e) (*Interest Payable*).

(d) Margin, Maximum Rate of Interest or Minimum Rate of Interest

- (i) If any Margin is specified in the relevant Final Terms or Tranche Prospectus, if applicable, an adjustment shall be made to all Rates of Interest, calculated in accordance with Condition 6(b) (*Floating Rate Notes*) by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to paragraph (ii) below.
- (ii) If any Rate of Interest is specified in the relevant Final Terms or Tranche Prospectus, if applicable, as being subject to a Maximum Rate of Interest or Minimum Rate of Interest, then such Rate of Interest shall be subject to such maximum or minimum as the case may be.

Unless otherwise stated in the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(e) Interest Payable

The interest payable in respect of any Note for a relevant period shall be an amount determined by the Calculation Agent or Determination Agent, as specified in the relevant Final Terms or Tranche Prospectus, if applicable, equal to the product of the amount of interest payable per Calculation Amount, as determined in accordance with this Condition 6(e) (*Interest Payable*), and the Calculation Amount Factor of the relevant Note. The amount of interest payable per Calculation Amount in respect of any Note for any Interest Period shall be equal to the product of the Rate of Interest, the Calculation Amount and the Day Count Fraction for such Interest Period, unless an Interest Amount (or a formula for its calculation) is specified in the relevant Final Terms or Tranche Prospectus, if applicable, in respect of such period, in which case the amount of interest

payable per Calculation Amount in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(f) Definitions

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

“**Broken Amount**” means the amount of interest payable per Calculation Amount in respect of any short or long first or last Interest Period calculated in accordance with Condition 6(e) (*Interest Payable*) and specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“**Business Centre**” means any business centre specified as such in the relevant Final Terms or Tranche Prospectus, if applicable.

“**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general Business in London and each Business Centre and either:

- (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business in the principal financial centre of the country of the relevant Specified Currency; or
- (ii) in relation to any sum payable in euro, a day on which the TARGET System is open for the settlement of payments in euro (a “**TARGET Business Day**”).

“**Calculation Amount**” means, in respect of a Note and an Interest Period, the amount specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“**Calculation Amount Factor**” means, in respect of a Note, the number equal to the Specified Denomination of such Note divided by the Calculation Amount.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual-ISDA**” is specified in the relevant Final Terms or Tranche Prospectus, if applicable, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms or Tranche Prospectus, if applicable, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in the relevant Final Terms or Tranche Prospectus, if applicable, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms or Tranche Prospectus, if applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“ Y_1 ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“ Y_2 ” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ M_1 ” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“ M_2 ” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ D_1 ” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

“ D_2 ” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms or Tranche Prospectus, if applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“ Y_1 ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“ Y_2 ” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ M_1 ” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“ M_2 ” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ D_1 ” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

“ D_2 ” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified in the relevant Final Terms or Tranche Prospectus, if applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“ Y_1 ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

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

(vii) If “**Actual/Actual-ICMA**” is specified in the relevant Final Terms or Tranche Prospectus, if applicable:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(I) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(II) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year,

where:

“**Determination Date**” means the date specified as such in the relevant Final Terms or Tranche Prospectus, if applicable, or, if none is so specified, the Interest Payment Date.

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“**Euro-zone**” means the region comprising Member States of the European Union (“**EU Member States**”) that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Fixed Coupon Amount**” means, with respect to a Fixed Rate Note, the amount of interest payable per Calculation Amount per Interest Period as calculated in accordance with Condition 6(e) (*Interest Payable*) and specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“**Interest Amount**” means:

(i) in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Notes shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms or Tranche

Prospectus, if applicable, as being payable on the Interest Payment Date ending the Interest Period of which such Interest Period forms part; and

- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Period, the date specified as such in the relevant Final Terms or Tranche Prospectus, if applicable, or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Period if the Specified Currency is euro.

“Interest Payment Date” means:

- (i) in respect of Fixed Rate Notes, each date specified as an Interest Payment Date in the relevant Final Terms or Tranche Prospectus, if applicable; and
- (ii) in respect of Floating Rate Notes:
 - (a) each date specified as a Specified Interest Payment Date in the relevant Final Terms; or
 - (b) if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms or Tranche Prospectus, if applicable, each date which falls the number of months or other period in the Interest Period specified in the relevant Final Terms or Tranche Prospectus, if applicable, as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

“Issue Date” means the date of issue of the Notes as specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“Margin” means the value specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“Maximum Rate of Interest” means the rate specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“Minimum Rate of Interest” means the rate specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“Rate of Interest” means the rate of interest payable from time to time in respect of a Note and that is specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

“**Reference Rate**” means either LIBOR or EURIBOR (or any successor or replacement rate), as specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“**Relevant Date**” means, in respect of any Note or Coupon, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven calendar days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service (or any successor or replacement page, section, caption, column or other part of a particular information service) as may be specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“**Relevant Time**” means, in the case of a determination of LIBOR, 11:00 a.m. London time and, in the case of a determination of EURIBOR, 11:00 a.m. Brussels.

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or Tranche Prospectus, if applicable, or, if none is specified, the currency in which the Notes are denominated.

“**Specified Denomination**” means, in respect of a Note, the amount specified in the relevant Final Terms or Tranche Prospectus, if applicable.

“**Specified Interest Payment Date(s)**” means, in respect of a Floating Rate Note, each date(s) specified as such in the relevant Final Terms or Tranche Prospectus, if applicable.

“**TARGET Settlement Day**” means any day on which the TARGET System is open.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

(g) Benchmark Fallback Provisions

Notwithstanding anything to the contrary contained in the Conditions, including (without limitation) Conditions 6(b) (*Floating Rate Notes*), 6(d) (*Margin, Maximum Rate of Interest or Minimum Rate of Interest*) and 6(e) (*Interest Payable*):

- (i) In the event that the Determination Agent determines, at any time, that a Benchmark Fallback Event has occurred in respect of the Notes, it shall, as soon as reasonably practicable thereafter, give notice of such determination (including a description in reasonable detail of the facts relevant to such determination) to the Issuer (copied to the Trustee, the Issuing and Paying Agent and the Calculation Agent), whereupon the Determination Agent shall use commercially reasonable endeavours to:
 - (x) identify a Replacement Benchmark; and
 - (y) identify and/or determine any applicable Adjustment Spread,in each case, on or prior to the relevant Cut-Off Date.

- (ii) As soon as reasonably practicable following its receipt of any notice from the Determination Agent pursuant to Condition 6(g)(i) (*Benchmark Fallback Provisions*) above, the Issuer shall notify Noteholders of the same in accordance with Condition 21 (*Notices*).
- (iii) In the event that the Determination Agent is able to identify a Replacement Benchmark and to determine any applicable Adjustment Spread, in each case on or prior to the Cut-Off Date, then:
 - (x) the Conditions of the Notes shall, without the need for the consent of the Trustee, Noteholders or any other party, be modified so that all references to the Benchmark are replaced by references to the Replacement Benchmark (as adjusted by any applicable Adjustment Spread);
 - (y) the Determination Agent may, without the need for the consent of the Trustee, the Noteholders and/or any other party make such other modifications to the Conditions of the Notes and/or the Transaction Documents as it determines necessary or appropriate in order to account for the effect of the replacement of the Benchmark with the Replacement Benchmark (as adjusted by any applicable Adjustment Spread) so to preserve as closely as practicable the economic equivalence of the Notes before and after the replacement of the Benchmark with the Replacement Benchmark (as so adjusted); and
 - (z) the Determination Agent will give notice of such modifications to the Issuer (copied to the Trustee, the Issuing and Paying Agent and the Calculation Agent) (the date of such notification, the “**Replacement Benchmark Effective Date**”) and the Issuer shall take such additional actions as the Determination Agent deems necessary to effect such modifications.
- (iv) As soon as reasonably practicable following its receipt of the notice from the Determination Agent pursuant to Condition 6(g)(iii)(z) (*Benchmark Fallback Provisions*) above, the Issuer shall notify Noteholders of the same in accordance with Condition 21 (*Notices*).
- (v) In the event that the Determination Agent determines for any reason that it will not, after using commercially reasonable endeavours, be able to, or the Determination Agent fails to, identify a Replacement Benchmark and to identify and/or determine any applicable Adjustment Spread by the Cut-Off Date, then the Determination Agent will give notice of the same to the Issuer (copied to the Trustee, the Issuing and Paying Agent and the Calculation Agent) whereupon (x) an Early Redemption Event will be deemed to have occurred in respect of the Notes (such Early Redemption Event, a “**Benchmark Event**”), (y) the Issuer shall give an Early Redemption Notice to the Noteholders and (z) each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount.
- (vi) The Determination Agent will not have any duty to monitor, enquire or satisfy itself as to whether any Benchmark Fallback Event has occurred. In determining whether a Benchmark Fallback Event has occurred, the Determination Agent will act in a commercially reasonable manner and it may, but is not obliged to, refer to any publicly available information and pronouncements from regulators or industry bodies. In selecting a Replacement Benchmark, the Determination Agent will act in a commercially reasonable manner and it may, but is not obliged to, take into account its internal models and policies, any industry developments and market consensus.
- (vii) For the avoidance of doubt, the Trustee shall not be required to monitor, enquire or satisfy itself as to whether any Benchmark Fallback Event has occurred and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer, any Noteholder or to any other Secured Creditor. If the Trustee receives notice of a Benchmark Fallback Event from either the Issuer or the Determination Agent, the Trustee shall be entitled to rely on such notice without further investigation.

- (viii) In the event that a Benchmark Fallback Event occurs and the Determination Agent has not been able to identify a Replacement Benchmark and to identify and/or determine any applicable Adjustment Spread by any Interim Interest Determination Date occurring on or prior to the relevant Cut-Off Date, then no interest shall accrue, nor shall any interest be paid, in respect of the Interest Period to which such Interim Interest Determination Date relates, unless a Replacement Benchmark Effective Date occurs on or prior to the Cut-Off Date, in which case interest shall be deemed to have accrued in respect of such Interest Period from the relevant Interest Period Date at the Rate of Interest determined on the basis of the Replacement Benchmark (as adjusted by any applicable Adjustment Spread).
- (ix) If, as a result of the foregoing provisions, any payment of interest is postponed beyond the Interest Payment Date on which such interest would otherwise have been payable, then such payment of interest shall be paid as soon as reasonably practicable following the relevant Replacement Benchmark Effective Date. For the avoidance of doubt, Noteholders shall not be entitled to any further interest or other payment as a consequence of the fact that such interest payment is postponed pursuant to this Condition 6(g) (*Benchmark Fallback Provisions*).

In the Conditions, unless the context otherwise requires:

“Adjustment Spread” means any adjustment to a Replacement Benchmark that the Determination Agent determines is necessary in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from the Issuer to the Noteholders (or vice versa) as a result of the replacement of the Benchmark with the Replacement Benchmark; provided that if any adjustment spread or formula or methodology for calculating an adjustment spread is either: (i) formally recommended in relation to the replacement of the Benchmark with the Replacement Benchmark by any relevant supervisory body responsible for supervising either the Benchmark or the administrator of the Benchmark; or (ii) recognised or acknowledged as being the industry standard for over-the-counter derivative transactions previously referencing such Benchmark and switching to the Replacement Benchmark (which recognition or acknowledgment may be in the form of a press release, a member announcement, protocol, publication of standard terms or otherwise), then such adjustment spread or such formula or methodology for calculating an adjustment spread shall be the Adjustment Spread for the purposes of the Notes.

“Benchmark” means any index, benchmark or price source specified in the relevant Final Terms or Tranche Prospectus, if applicable, by reference to which any amount payable under the Notes is to be determined. To the extent that a Replacement Benchmark is determined for the purposes of the Notes pursuant to this Condition 6(g) (*Benchmark Fallback Provisions*), such Replacement Benchmark shall be a “Benchmark” for the purposes of this Condition 6(g) (*Benchmark Fallback Provisions*) from the date of such determination.

“Benchmark Fallback Event” means, in respect of any Benchmark, the occurrence of one or more of the following events, as determined by the Determination Agent:

- (i) such Benchmark (or the publication thereof) is permanently discontinued;
- (ii) the definition, methodology, formula or other means for the determination or calculation of such Benchmark, is materially changed;
- (iii) any authorisation, registration, recognition, endorsement, equivalence or approval in respect of such Benchmark and/or the administrator of such Benchmark required by applicable law or regulation in order for the Issuer, the Calculation Agent, the Determination Agent and/or any other entity to perform its or their respective obligations under the Notes is rejected, refused, suspended, withdrawn or otherwise not obtained or maintained; or
- (iv) such Benchmark has on a specified date, as a matter of law, regulation or the announcement of, or protocol published by, any industry body, including, without limitation, the International Swaps and Derivatives Association, Inc., been superseded or designated as no longer being the industry standard for transactions that would previously have referenced such Benchmark.

“**Cut-off Date**” means, in respect of a Benchmark Fallback Event, the ninetieth (90th) Business Day following the first date on which reference is required to be made to the Benchmark for the purposes of calculating or determining the Interest Amount and/or Rate of Interest that would otherwise be payable or applicable in respect of the Notes but for the occurrence of such Benchmark Fallback Event.

“**Interim Interest Determination Date**” means, in respect of any Interest Period, any date occurring in the period from, and including, the date of the occurrence of the Benchmark Fallback Event to, and including, the relevant Cut-Off Date on which reference is required to be made to the Benchmark for the purposes of calculating or determining the Interest Amount and/or Rate of Interest that would otherwise be payable or applicable in respect of the Notes in respect of such Interest Period but for the occurrence of such Benchmark Fallback Event.

“**Replacement Benchmark**” means, in respect of a Benchmark, such index, benchmark or other price source as is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which would previously have referenced such Benchmark (which recognition or acknowledgment may be in the form of a press release, a member announcement, protocol, publication of standard terms or otherwise).

(h) Suspension of Payments

- (i) Notwithstanding any other provisions in these Master Conditions, if the Determination Agent, in its sole and absolute discretion, determines that the Collateral Obligor shall have failed to make any payment under the Collateral or Identical Collateral or, if applicable under the Swap Agreement, any other Collateral Obligor Obligations on the originally scheduled date for such payment or in the originally scheduled amount of such payment, no payment of principal or interest on the Notes shall be made by the Issuer during the applicable Collateral Obligor Grace Period, unless the Determination Agent, in its sole and absolute discretion, determines that such failure has been remedied by the Collateral Obligor prior to the end of such Collateral Obligor Grace Period. The Issuer, or the Determination Agent on the Issuer’s behalf, shall notify the Noteholders of any such suspension of payment during the applicable Collateral Obligor Grace Period in accordance with Condition 21 (*Notices*). Notwithstanding the foregoing, if the Determination Agent, in its sole and absolute discretion, determines that the Collateral Obligor shall have remedied such failure prior to the end of such Collateral Obligor Grace Period, the balance of the principal or interest that would otherwise have been payable shall be due on the second Business Day after the date on which the Determination Agent determines that such failure has been remedied. In determining whether a payment failure has (or may have) occurred, the Determination Agent (x) may, without limitation, rely on evidence of non-receipt of funds and (y) shall disregard any suspension, deferral or postponement of the due date of the relevant payment that may be permitted under the terms of the relevant Collateral Obligor Obligations. Nothing herein shall require a payment in respect of the Notes on a date earlier than it would otherwise be due. Noteholders and Couponholders shall not be entitled to a further payment of any nature as a consequence of the fact that payment of principal or interest is postponed pursuant to this Condition 6(h)(i) (*Suspension of payments*).
- (ii) Notwithstanding any other provisions in these Master Conditions, if the Determination Agent, in its sole and absolute discretion, determines that facts exist which may or would with the passing of time (assuming the expiration of any applicable Collateral Obligor Grace Period) amount to a Collateral Event, then no payment of principal or interest shall be made by the Issuer in respect of the Notes during the Suspension Period (as defined below). If at any time during the Suspension Period the Determination Agent, in its sole and absolute discretion, determines that an Early Redemption Event has occurred, then the provisions of Condition 7 (*Redemption and Purchase*) shall apply. If on the final Business Day of the Suspension Period no such determination and designation has been made, then the balance of the principal or interest (if any) that would otherwise have been payable in respect of the Notes shall be due on the fifth Business Day after such final Business Day of the Suspension Period. Noteholders or Couponholders shall not be entitled to a further payment as a consequence of

the fact that payment of principal or interest is postponed pursuant to this Condition 6(h)(ii) (*Suspension of payments*).

(iii) If the Collateral Obligor remedies its failure to make any payment under the relevant Collateral Obligor Obligations on the originally scheduled date for such payment or in the originally scheduled amount of such payment and the Issuer pays in respect of each Note the Final Redemption Amount and relevant Interest Amount due on the Maturity Date (as may be adjusted in accordance with the Business Day Convention), the date of such payment will be the Maturity Date.

(iv) For the purposes of this Condition 6(h) (*Suspension of Payments*):

“**Suspension Period**” means a period of ten Business Days following the determination by the Determination Agent, in its sole and absolute discretion, that facts exist which may or would with the passing of time (assuming the expiration of any applicable Collateral Obligor Grace Period) amount to a Collateral Event.

7 Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided in the Conditions, each Note shall become due and payable on the Maturity Date at 100 per cent. per Calculation Amount per Note. (the “**Final Redemption Amount**”).

(b) Redemption upon Collateral Event

Unless previously redeemed or purchased and cancelled as provided in the Conditions and provided that no Early Redemption Event has occurred pursuant to Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7(c) (*Redemption for Taxation Reasons*), 7(d) (*Redemption in connection with Swap Agreement*) or 12 (*Events of Default*), the Issuer shall, if (i) a Collateral Early Redemption occurs or (ii) a Collateral Default has occurred (each, a “**Collateral Event**”) give an Early Redemption Notice to the Noteholders as soon as reasonably practicable following notification by the Determination Agent of the occurrence of such Collateral Event and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (together with any unpaid accrued interest thereon).

For the purpose of this Condition 7(b) (*Redemption upon Collateral Event*), references to “Collateral” shall exclude Posted Securities (if any).

In the Conditions, unless the context otherwise requires:

“**Collateral Default**” means any of the following events:

(i) in respect of any Collateral Obligor Obligation:

- (A) a Collateral Obligor Failure to Pay;
- (B) a Collateral Obligor Repudiation/Moratorium;
- (C) a Collateral Restructuring; and

(ii) in respect of any Collateral Obligor, a Collateral Obligor Bankruptcy.

“**Collateral Obligor**” means any person that has an obligation or duty to the Issuer in respect of the Collateral pursuant to the terms of such Collateral.

“**Collateral Early Redemption**” means that the Collateral becomes repayable prior to its stated date of maturity for whatever reason, including as a result of an event of default in respect of such Collateral, as determined by the Determination Agent in its sole and absolute discretion.

“Collateral Obligor Bankruptcy” means, as determined by the Determination Agent, a Collateral Obligor:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:
 - (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (B) is not dismissed, discharged, stayed or restrained, in each case within 30 days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (i) to (vii) above.

“Collateral Obligor Default Requirement” means zero in respect of the Collateral or any Identical Collateral, and in respect of any other Collateral Obligor Obligations means U.S.\$10,000,000 or its equivalent in the currency or currencies in which the relevant Collateral Obligor Obligation is denominated as of the occurrence of the relevant Collateral Default.

“Collateral Obligor Failure to Pay” means, as determined by the Determination Agent in its sole and absolute discretion:

- (i) in respect of any Collateral or Identical Collateral, after the expiration of any applicable Collateral Obligor Grace Period (after the satisfaction of any conditions precedent to the commencement of such Collateral Obligor Grace Period), the failure by the relevant Collateral Obligor to make, when and where due, any payments under one or more of such Collateral or Identical Collateral, in accordance with the terms of such Collateral or Identical Collateral in effect as of the latest of the Issue Date of the Notes to which such Collateral or Identical Collateral relates, the issue date of such Collateral or Identical Collateral and the date on which such Collateral or Identical Collateral was first acquired by the Issuer, provided that the suspension, deferral or postponement of the due date of any payment, as may be permitted under the terms of such Collateral or Identical Collateral, shall be disregarded; and

- (ii) in respect of any other Collateral Obligor Obligations, after the expiration of any applicable Collateral Obligor Grace Period (after the satisfaction of any conditions precedent to the commencement of such Collateral Obligor Grace Period), the failure by the relevant Collateral Obligor to make, when and where due, any payments in an aggregate amount of not less than the Collateral Obligor Payment Requirement under one or more of such Collateral Obligor Obligations, in accordance with the terms of such Collateral Obligor Obligations at the time of such failure, provided that the suspension, deferral or postponement of the due date of any payment, as may be permitted under the terms of such other Collateral Obligor Obligations, shall be disregarded.

“Collateral Obligor Grace Period” means, in respect of any Collateral Obligor Obligations, the greater of (i) the applicable grace period with respect to payments under the relevant Collateral Obligor Obligation under the terms of such Collateral Obligor Obligation in effect as of the later of the Issue Date and the date as of which such Collateral Obligor Obligation is issued or incurred and (ii) three Collateral Obligor Grace Period Business Days.

“Collateral Obligor Grace Period Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose under the relevant Collateral Obligor Obligation and if a place or places are not so specified, a Business Day for the currency or currencies in which the relevant Collateral Obligor Obligation is denominated (but disregarding for such purpose paragraph (ii) of the definition of “Business Day” in Condition 6(f) (*Definitions*)).

“Collateral Obligor Obligation” means, in respect of a Collateral Obligor, any Collateral, any Identical Collateral or any other obligation of such Collateral Obligor (ranking *pari passu* with the Collateral and excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

“Collateral Obligor Payment Requirement” means, in respect of any Collateral Obligor Obligation other than the Collateral and any Identical Collateral, U.S.\$1,000,000 or its equivalent in the currency or currencies in which the relevant Collateral Obligor Obligation is denominated as of the occurrence of the relevant Collateral Default.

“Collateral Obligor Repudiation/Moratorium” means the occurrence of both of the following events, as determined by the Determination Agent in its sole and absolute discretion:

- (i) an authorised officer of a Collateral Obligor or a Government:
 - (A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Collateral Obligor Obligations in an aggregate amount of not less than the Collateral Obligor Default Requirement; or
 - (B) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Collateral Obligor Obligations in an aggregate amount of not less than the Collateral Obligor Default Requirement; and
- (ii) a Collateral Obligor Failure to Pay, determined without regard to the Collateral Obligor Payment Requirement, or a Collateral Restructuring, determined without regard to the Collateral Obligor Default Requirement, with respect to any such Collateral Obligor Obligation occurs on or prior to the later of:
 - (A) the date that is 60 days after the occurrence of the relevant event described in paragraph (i)(A) above; and
 - (B) where such Collateral Obligor Obligation is in the form of, or represented by, a bond, note (other than notes delivered pursuant to term loan agreements, revolving loan agreements or other similar credit agreements), certificated debt security or other debt

security, the first payment date under such Collateral Obligor Obligation after the occurrence of the relevant event described in paragraph (i)(A) above (or, if later, the expiration date of any applicable Collateral Obligor Grace Period in respect of such payment date).

“**Collateral Restructuring**” means, in respect of the Collateral or Identical Collateral, the occurrence of any one or more of the following events, as determined by the Determination Agent in its sole and absolute discretion, in a form that (a) binds all holders of such Collateral or Identical Collateral, (b) is agreed between the Collateral Obligor or a Government and a sufficient number of holders of such Collateral or Identical Collateral to bind all holders of the Collateral or Identical Collateral, or (c) is announced (or otherwise decreed) by the Collateral Obligor or a Government in a form that binds all holders of such Collateral or Identical Collateral and such event is not expressly provided for under the terms of the Collateral or Identical Collateral in effect as of the Issue Date of the Notes:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Collateral or Identical Collateral; or
- (v) any change in the currency or composition of any payment of interest or principal in respect of any Collateral or Identical Collateral.

“**Government**” means any de facto or de jure government (or any agency, instrumentality, ministry or department 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) of a Collateral Obligor or of the jurisdiction of organisation of a Collateral Obligor.

“**Identical Collateral**” means, in respect of Collateral in the form of securities, shares or any other assets which can be issued in fungible form, any such securities, shares or other assets that, immediately prior to the event in question, were part of the same issuance or series of fungible issuances of securities, shares or assets, shared common terms and conditions and ranked *pari passu* with such securities, shares or assets.

“**Publicly Available Information**” means, in relation to a Collateral Default, information that reasonably confirms any of the facts relevant to the determination that such Collateral Default has occurred and which: (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; (ii) is information received from or published by (A) a Collateral Obligor or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for a Collateral Obligor Obligation; (iii) is information contained in any petition or filing instituting a proceeding described in sub-paragraph (iv) of the definition of Collateral Obligor Bankruptcy against or by a Collateral Obligor; or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

“**Public Source**” means each source of Publicly Available Information specified as such in the relevant Final Terms or Tranche Prospectus, if applicable, or, if a source is not so specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Collateral Obligor is organised and any other internationally recognised published or electronically displayed news sources.

“**Specified Number**” means the number of Public Sources specified in the relevant Final Terms or Tranche Prospectus, if applicable, or, if a number is not so specified, two.

(c) Redemption for Taxation Reasons

For the purpose of this Condition 7(c) (*Redemption for Taxation Reasons*), references to “Collateral” shall exclude Posted Securities.

- (i) Unless previously redeemed or purchased and cancelled as provided in the Conditions, subject to paragraph (ii) below and provided that no Early Redemption Event has occurred pursuant to Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7(b) (*Redemption upon Collateral Event*), 7(d) (*Redemption in connection with Swap Agreement*) or 12 (*Events of Default*), the Issuer shall, as soon as practicable after becoming aware of the occurrence of a Note Tax Event and/or a Collateral Tax Event, give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (together with any unpaid accrued interest thereon).

A “**Note Tax Event**” will occur if, following the occurrence of a Tax Substitution Event (as defined in Condition 11 (*Taxation*)), the Issuer determines on or prior to the due date for the next payment of principal or interest in respect of the Notes that it has not been or will not be able to arrange the relevant substitution or change of residence prior to such due date for payment.

A “**Collateral Tax Event**” will occur if the Issuer:

- (A) is or will be unable to receive any payment due in respect of any Collateral in full on the due date therefor without a deduction for or on account of any withholding tax, back-up withholding or other tax, duties or charges of whatsoever nature imposed by any authority of any jurisdiction; and/or
- (B) is or will be required to pay any tax, duty or charge of whatsoever nature imposed by any authority of any jurisdiction in respect of any payment received in respect of any Collateral; and/or
- (C) is or will be required to comply with any reporting requirement of any authority of any jurisdiction in respect of any payment received in respect of any Collateral and such failure results in any tax, duty or charge of whatsoever nature becoming payable in respect of such Collateral, provided that the Issuer using reasonable efforts prior to the due date for the relevant payment is (or would be) unable to avoid such deduction(s), payment(s) and/or reporting requirements described in sub-paragraphs (A) to (C) of this definition by filing a valid declaration that it is not a resident of such jurisdiction and/or by executing any certificate, form or other document in order to make a claim under a double taxation treaty or other exemption available to it. If the action that the Issuer would be required to undertake so as to avoid any such deduction(s), payment(s) and/or reporting requirements would involve any material expense or is, in the sole opinion of the Issuer, unduly onerous the Issuer shall not be required to take any such action.

For the avoidance of doubt, the Trustee shall not be required to monitor, enquire or satisfy itself whether any Note Tax Event or Collateral Tax Event has occurred and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or to any Secured Creditor. If the Issuer effectively gives a valid notice to the Trustee pursuant to this Condition 7(c) (*Redemption for Taxation Reasons*) of the occurrence of a Note Tax Event or Collateral Tax Event the Trustee shall be entitled to rely on such notice without further investigation.

(ii) Notwithstanding the foregoing, if the requirement to withhold, deduct or account for any present or future taxes, duties or charges of whatsoever nature referred to in Condition 7(c)(i) (*Redemption for Taxation Reasons*) arises solely as a result of:

(A) any Noteholder's or Couponholder's connection with the jurisdiction of incorporation of the Issuer otherwise than by reason only of the holding of any Note or receiving or being entitled to any payment in respect thereof; or

(B) the presentation for payment of any Bearer Note or Coupon by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bearer Note or Coupon to another Paying Agent in an EU Member State,

then, to the extent possible, the Issuer shall deduct such taxes, duties or charges, as applicable, from the amount(s) payable to such Noteholder or Couponholder and, provided that payments to other Noteholders or Couponholders would not be impaired, the Issuer shall not give an Early Redemption Notice pursuant to Condition 7(c)(i) (*Redemption for Taxation Reasons*). Any such deduction shall not constitute an Event of Default under Condition 12 (*Events of Default*), a Liquidation Event under Condition 13 (*Liquidation*) or an Enforcement Event under Condition 14 (*Enforcement of Security*).

(d) Redemption in connection with Swap Agreement

(i) *Redemption for Termination of Swap Agreement*

Unless previously redeemed or purchased and cancelled as provided in the Conditions and provided that no Early Redemption Event has occurred pursuant to Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7(b) (*Redemption upon Collateral Event*), 7(c) (*Redemption for Taxation Reasons*), 7(d)(ii) (*Redemption for Swap Counterparty Event*) or 12 (*Events of Default*), the Issuer shall, as soon as practicable after becoming aware of the occurrence of a Swap Termination Event, give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (together with any unpaid accrued interest thereon). The “**Early Redemption Event**” in respect of such Swap Termination Event shall be deemed to have occurred on (A) the day on which the relevant Swap Termination Notice to which the Swap Termination Event relates was effective, or (B) if, in accordance with the terms of the relevant Swap Agreement, the Early Termination Date to which the Swap Termination Event relates occurs or is designated automatically or without notice the earliest effective date of the notice(s) given by the Issuer or the relevant Swap Counterparty, as applicable, to the other of the occurrence or designation of such Early Termination Date.

For the avoidance of doubt, the Trustee shall not be required to monitor, enquire or satisfy itself as to whether any Swap Termination Event has occurred and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. If the Trustee receives notice of a Swap Termination Event from either the Issuer or the relevant Swap Counterparty, the Trustee shall be entitled to rely on such notice without further investigation.

In the Conditions, unless the context otherwise requires:

“**Early Termination Date**” has the meaning given to it in the relevant Swap Agreement.

“**Swap Termination Event**” means that an Early Termination Date in respect of all outstanding Swap Transactions has been designated or deemed to have been designated by the Issuer or the relevant Swap Counterparty, as applicable, under the relevant Swap Agreement for any reason other than where such Early Termination Date is designated or deemed to have been designated as a result of the occurrence of an Early Redemption Event in respect of the Notes pursuant to Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7(b) (*Redemption upon Collateral Event*), 7(c) (*Redemption for Taxation Reasons*), 7(d)(ii) (*Redemption for Swap Counterparty Event*) or 12 (*Events of Default*).

“**Swap Termination Notice**” means a notice of termination given under the relevant Swap Agreement by the Issuer or the relevant Swap Counterparty, as the case may be, in connection with which an Early Termination Date is designated or is deemed to have been designated in respect of all outstanding Swap Transactions thereunder.

(ii) **Redemption for Swap Counterparty Event**

If, prior to the Maturity Date, (A) pursuant to the terms of the relevant Swap Agreement the Issuer becomes aware that it is able to exercise a right to designate an Early Termination Date in respect of all outstanding Swap Transactions under the relevant Swap Agreement pursuant to the occurrence of a Swap Counterparty Event or if the Issuer is directed to exercise such right and such right is then continuing, (B) no Early Termination Date has already been designated or occurred under the relevant Swap Agreement and (C) no Early Redemption Event has occurred under the Notes, the Issuer shall notify the Noteholders in accordance with Condition 21 (*Notices*) and the Trustee of the same. Following delivery of such notice from the Issuer, the Trustee shall, if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution, provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction and provided that no Early Redemption Event has occurred pursuant to Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7(b) (*Redemption upon Collateral Event*), 7(c) (*Redemption for Taxation Reasons*), 7(d)(i) (*Redemption for Termination of Swap Agreement*) or 12 (*Events of Default*), give notice to the Issuer and upon the Issuer receiving such notice from the Trustee, the Issuer shall (provided that no Early Redemption Event has occurred pursuant to Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7(b) (*Redemption upon Collateral Event*), 7(c) (*Redemption for Taxation Reasons*), 7(d)(i) (*Redemption for Termination of Swap Agreement*) or 12 (*Events of Default*)), as soon as reasonably practicable, deliver an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (together with any unpaid accrued interest thereon).

The Trustee shall not be required to monitor, enquire or satisfy itself as to whether a Swap Counterparty Event has occurred and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. Until it has actual knowledge or express notice in writing to the contrary, the Trustee may assume that no such event has occurred. If the Issuer notifies the Trustee of the occurrence of a Swap Counterparty Event, the Trustee shall be entitled to rely on such notification without further investigation.

In the Conditions, unless the context otherwise requires:

“**Swap Counterparty Event**” means, in accordance with the terms of the Swap Agreement, that an Event of Default (as defined in the relevant Swap Agreement) has occurred with respect to the Swap Counterparty or a Termination Event (as defined in the relevant Swap Agreement) has occurred where the Issuer has the right to designate an Early Termination Date in respect of all outstanding Swap Transactions under the relevant Swap Agreement.

(e) **Redemption at the Option of the Issuer**

If Call Option is specified in the relevant Final Terms or Tranche Prospectus, if applicable, the Issuer may, on giving not less than 15 nor more than 30 days’ irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms or Tranche Prospectus, if applicable), in accordance with Condition 21 (*Notices*), redeem all or, if so provided, some of the Notes on any Optional Redemption Date as specified in the relevant Final Terms or Tranche Prospectus, if applicable (the “**Optional Redemption Date**”). Any such redemption of Notes shall be 100 per cent. per Calculation Amount per Note in the Specified Currency as calculated by the Calculation Agent (the “**Optional Redemption Amount**”) together with interest accrued, if any, to the Optional Redemption Date. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount (specified in the relevant Final Terms or Tranche Prospectus, if applicable) to be redeemed and no greater than the Maximum Redemption Amount (specified in the relevant Final Terms or Tranche Prospectus, if applicable) to be redeemed.

Notwithstanding any provisions to the contrary, if at any time prior to the redemption of the Notes pursuant to this Condition 7(e) (*Redemption at the Option of the Issuer*), an Early Redemption Event occurs and the Issuer gives notice of an Early Redemption Notice, then the Issuer shall be prevented from also giving notice of redemption pursuant to this Condition 7(e) (*Redemption at the Option of the Issuer*) and the Notes shall be redeemed at their Early Redemption Amount on the Early Redemption Date (together with any unpaid accrued interest thereon).

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by the Issuer in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. So long as the Notes are listed on Euronext Dublin or any other stock exchange and the rules of the relevant stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published either on the website of Euronext Dublin (www.ise.ie) or in a leading newspaper of general circulation in Ireland or as specified by such other stock exchange, a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(f) Redemption at the Option of Noteholders

If Put Option is specified in the relevant Final Terms or Tranche Prospectus, if applicable, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms or Tranche Prospectus, if applicable) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued (if any) to the Optional Redemption Date. Notwithstanding any provisions to the contrary, if at any time prior to the redemption of the Notes pursuant to this Condition 7(f) (*Redemption at the Option of Noteholders*), an Early Redemption Event occurs and the Issuer gives an Early Redemption Notice, then the notice of redemption given pursuant to this Condition 7(f) (*Redemption at the Option of Noteholders*) shall be deemed to be void and the Notes shall be redeemed at their Early Redemption Amount on the Early Redemption Date (together with any unpaid accrued interest thereon).

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) Purchases

If the Issuer has satisfied the Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Collateral, for the reduction in the notional amount of the relevant Swap Agreement and for the purchase of the Notes, which transactions will leave the Issuer with no assets or net liabilities in respect thereof, it may purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) Cancellation

All Notes purchased by or on behalf of the Issuer shall be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all

unexchanged Talons to or to the order of the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the

Registrar and, in each case, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and all unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(i) Early Redemption Amount and Early Redemption Date

In the Conditions, unless the context otherwise requires:

“**Early Redemption Amount**” means, in respect of each Note outstanding on the relevant Early Redemption Date, the amount determined by the Calculation Agent or the Determination Agent as applicable, equal to the outstanding nominal amount of such Note in the Specified Currency as calculated by the Calculation Agent. Payment of such Early Redemption Amount (and any unpaid accrued interest thereon) is subject to payment in full of the prior ranking claims in accordance with Conditions 15(a) (*Application of Proceeds of Liquidation*) and 15(b) (*Application of Proceeds of Enforcement of the Security*).

“**Early Redemption Date**” means, the date specified as such in the relevant Early Redemption Notice or, if not so specified, the date notified separately to Noteholders and, in any case, such date falling no later than the 30th calendar day after the date on which the Early Redemption Notice was delivered to Noteholders.

“**Early Redemption Event**” means the occurrence of any of the events in Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7(b) (*Redemption upon Collateral Event*), 7(c) (*Redemption for Taxation Reasons*) or 7(d) (*Redemption in connection with Swap Agreement*) or, if no such event has occurred, the occurrence of any of the events in Condition 12 (*Events of Default*) and shall, except in the case of Condition 7(d)(i) (*Redemption for Termination of Swap Agreement*), be deemed to have occurred on the date on which the relevant Early Redemption Notice is deemed to have been given.

“**Early Redemption Notice**” means an irrevocable notice from the Issuer to Noteholders in accordance with Condition 21 (*Notices*) (or, in the case of Condition 12 (*Events of Default*), given by the Trustee to the Issuer) and that gives notice that the Notes are to be redeemed under Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7 (*Redemption and Purchase*) or 12 (*Events of Default*). An Early Redemption Notice given pursuant to Condition 6(g)(v) (*Benchmark Fallback Provisions*) or Condition 7 (*Redemption and Purchase*) must contain a description in reasonable detail of the facts relevant to the determination that the Notes are to be redeemed and must specify which of Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7(b) (*Redemption upon Collateral Event*), 7(c) (*Redemption for Taxation Reasons*) or 7(d) (*Redemption in connection with Swap Agreement*) is applicable. A copy of any Early Redemption Notice shall also be sent by the Issuer to all Transaction Parties, save that any failure to deliver a copy shall not invalidate the relevant Early Redemption Notice.

8 Calculations and Determinations, Rounding and Business Day Convention

(a) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts and Early Redemption Amounts

The Calculation Agent or the Determination Agent, as specified in the relevant Final Terms or Tranche Prospectus, if applicable, shall, as soon as practicable on each Interest Determination Date or on such other date and/or at such time as the Calculation Agent or the Determination Agent, as applicable, may be required in accordance with the Conditions and the Transaction Documents,

perform such duties and obligations as are required to be performed by it in accordance therewith including without limitation:

- (i) obtaining quotation(s) and calculating any rate(s) or amount(s) and making any determinations or calculations as may be required to determine the Interest Amount for each relevant Interest Period and Interest Payment Date and any relevant component thereof;
- (ii) cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, each Transaction Party and the Noteholders in accordance with Condition 21 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange;
- (iii) obtaining quotation(s) and calculating any rate(s), value(s) or amount(s) and making any determinations or calculations as may be required to determine the Final Redemption Amount, the Optional Redemption Amount, the Early Redemption Amount and any other amount as required pursuant to the Conditions or any Transaction Document and any relevant component thereof; and
- (iv) cause the Final Redemption Amount, the Optional Redemption Amount, the Early Redemption Amount and any such other amount to be notified to the Issuer, each Transaction Party and the Noteholders in accordance with Condition 21 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange.

The Calculation Agent shall have no obligation to perform any functions or duties to be performed by the Determination Agent and, for the avoidance of doubt, shall have no obligation to carry out any calculations or determinations with regard to the relevant Swap Agreement.

The calculations and determinations to be performed by the Calculation Agent are to be so notified as soon as possible after their determination and in no event later than (i) the commencement of the relevant Interest Period if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the earlier of the date on which any relevant payment is due (if determined prior to such time) and the fourth Business Day after such determination.

Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 8(d) (*Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

If in respect of any due date for redemption, payment of the full amount of principal due for redemption is not made, no publication of the daily rates determined in accordance with this Condition 8(a) (*Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts and Early Redemption Amounts*) to be used in the calculation of any default interest need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent or the Determination Agent, as applicable, shall (in the absence of manifest error) be final and binding upon all parties. If the Calculation Agent or the Determination Agent, as applicable, at any time does not make any determination or calculation or take any action that it is required to do pursuant to the Conditions, it shall forthwith notify the Issuer, the Trustee and the Issuing and Paying Agent.

(b) Determination or Calculation by Trustee

If the Calculation Agent or the Determination Agent, as applicable, does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Final Redemption Amount, the Optional Redemption Amount, the Early Redemption Amount or any other amount, then the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) may make such determinations and calculations in place of the

Calculation Agent or the Determination Agent, as applicable (or may appoint an agent on its behalf to do so). Any such determination or calculation made by the Trustee (or its agent, as the case may be) shall, for the purposes of the Conditions and the Transaction Documents, be deemed to have been made by the Calculation Agent or the Determination Agent, as applicable. In doing so, the Trustee (or its agent, as the case may be) shall apply the provisions of Conditions and/or the relevant Transaction Document(s), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(c) Rounding

For the purposes of any calculations required pursuant to the Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.) and (y) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest unit. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(d) Business Day Convention

If any date referred to in the Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

9 Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of principal and in the case of interest, as specified in Condition 9(e)(v) (*Unmatured Coupons and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 9(e)(v) (*Unmatured Coupons and Unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with a Bank nominated by such holder presenting such Bearer Note.

“**Bank**” means a bank in the principal financial centre for such currency or in the case of euro in a city in which banks have access to the TARGET System.

(b) Registered Notes

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the Relevant Currency by transfer to an account nominated by such person shown in the Register in the Relevant Currency maintained by the payee with a Bank.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments subject to Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders or the Couponholders in respect of such payments.

(e) Unmatured Coupons and Unexchanged Talons

- (i) Upon the due date for redemption of any Bearer Note comprising a Fixed Rate Note, such Bearer Note should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing that an amount equal to the face value of each missing unexpired Coupon shall be deducted from the Final Redemption Amount or the Early Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 17 (*Prescription*)).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Bearer Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note which provides that the relative Coupons are to become void upon due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued but not paid from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 17 (*Prescription*)).

(g) Non-Business Days

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 9(g) (*Non-business Days*), “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” in the relevant Final Terms or Tranche Prospectus, if applicable, and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the Relevant Currency, on which foreign exchange transactions may be carried on in the Relevant Currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

10 Agents

(a) Appointment of Agents

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents, the Custodian, the Disposal Agent, the Determination Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed in the relevant Final Terms or Tranche Prospectus, if applicable. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents, the Custodian, the Disposal Agent, the Determination Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuing and Paying Agent and the Custodian are subject to the minimum Rating Requirements set forth in the Agency Agreement and the Custody Agreement, respectively. The Issuer reserves the right at any time with the approval of the Trustee (except that the approval of the Trustee shall not be required for the appointment of a replacement Disposal Agent, Determination Agent or Calculation Agent where Noteholders direct the Issuer to appoint such replacement pursuant to this Condition 10 (*Agents*)) to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Custodian, the Disposal Agent, the Determination Agent or the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents, Custodians, Disposal Agent(s), Determination Agent(s) or Calculation Agent(s), provided that the Issuer shall for as long as any Note is outstanding maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Disposal Agent, (v) a Calculation Agent, (vi) a Determination Agent, (vii) a Custodian, (viii) a Paying Agent having its specified office in a major European city, (ix) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case as approved by the Trustee (subject as provided above) and (x) a Paying Agent with a specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 9(c) (*Payments in the United States*).

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders in accordance with Condition 21 (*Notices*).

(b) Appointment of Calculation Agent

The Issuer shall procure that there shall be a Calculation Agent for as long as any Note is outstanding (as defined in the Trust Deed). If the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount or to make any other calculation or determination required of it under the Conditions or the Agency Agreement, as the case may be, or fails to comply with any other material requirement under the Conditions, the Agency Agreement

or any other Transaction Document, and in each case such failure has not been remedied within a reasonable period, or a Calculation Agent Bankruptcy Event occurs, then the Issuer shall:

- (i) provided that a Determination Agent has been appointed in respect of the Notes and no Determination Agent Bankruptcy Event has occurred, subject to the consent of the Determination Agent, vary the appointment of the Determination Agent for such period as may be agreed between the Issuer and the Determination Agent (taking into account the time required for the Determination Agent to put in place the relevant systems and procedures) so as to include the determinations and calculations which the Calculation Agent is required to make pursuant to the Agency Agreement and the Conditions and any relevant Transaction Documents will be construed accordingly. In doing so, the Determination Agent will apply the provisions of the Agency Agreement and the Conditions and the other Transaction Documents, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances;
- (ii) with the prior approval of the Trustee and, provided no Swap Counterparty Event has occurred, the Swap Counterparty, nominate and appoint a leading bank or financial institution engaged in the interbank market or other appropriate market that is most closely connected with the calculation(s) and/or determination(s) to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market), to act as Calculation Agent on substantially the same terms as the outgoing Calculation Agent; or
- (iii) if (x) a Determination Agent Bankruptcy Event or Swap Counterparty Event has occurred, (y) the Issuer has been instructed in writing by (I) the holders of all Notes then outstanding (as defined in the Trust Deed) or (II) the Trustee in accordance with an Extraordinary Resolution resolving that the Trustee give such instruction and (z) the Issuer has been indemnified and/or secured and/or pre-funded to its satisfaction for any costs, charges, fees and/or expenses the Issuer may incur in connection with the appointment of a replacement Calculation Agent (whether by one or more Noteholders, a Secured Creditor or any other third party), then the Issuer shall use its reasonable endeavours to appoint the person nominated in such instruction as Calculation Agent in respect of the Notes on substantially the same terms as the outgoing Calculation Agent, provided that a person may only be so nominated and appointed as Calculation Agent if it is an internationally recognised bank or financial institution permitted to carry out such appointment under applicable law and regulation and provided further that any additional requirements set out in the Agency Agreement relating to such appointment are satisfied. The Trustee shall not be obliged to give any such instruction to the Issuer unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Calculation Agent may not resign its duties without a successor having been appointed. In the Conditions, unless the context otherwise requires:

“Bankruptcy Event” means, with respect to an Agent, such Agent becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, liquidator, examiner or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, administrator, liquidator, examiner or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation.

“Calculation Agent Bankruptcy Event” means a Bankruptcy Event occurs with respect to the Calculation Agent, as determined by the Determination Agent in its sole and absolute discretion.

(c) Appointment of Determination Agent

The Issuer shall, if the relevant Final Terms or Tranche Prospectus, if applicable, specify that the Determination Agent is to make any calculations or determinations in respect of the Notes or the relevant Swap Agreement, procure that there shall be a Determination Agent for as long as any Note is outstanding (as defined in the Trust Deed). If the Determination Agent fails duly to establish any rate, amount or value required to be determined by it or to make any other calculation or determination required of it under the Conditions or the Agency Agreement, as the case may be, or to comply with any other material requirement pursuant to Conditions, the Agency Agreement or any other Transaction Document, and in each case such failure has not been remedied within a reasonable period, or a Determination Agent Bankruptcy Event occurs, then the Issuer shall:

- (i) with the prior approval of the Trustee and, provided no Swap Counterparty Event has occurred, the Swap Counterparty, nominate and appoint a leading bank or financial institution engaged in the interbank market or other appropriate market that is most closely connected with the calculation(s) and/or determination(s) to be made by the Determination Agent (acting through its principal London office or any other office actively involved in such market), to act as Determination Agent on substantially the same terms as the outgoing Determination Agent; or
- (ii) if (x) a Swap Counterparty Event has occurred, (y) the Issuer has been instructed in writing by (I) the holders of all Notes then outstanding (as defined in the Trust Deed) or (II) the Trustee in accordance with an Extraordinary Resolution resolving that the Trustee give such instruction and (z) the Issuer has been indemnified and/or secured and/or pre-funded to its satisfaction for any costs, charges, fees and/or expenses the Issuer may incur in connection with the appointment of a replacement Determination Agent (whether by one or more Noteholders, a Secured Creditor or any other third party), then the Issuer shall use its reasonable endeavours to appoint the person nominated in such instruction as Determination Agent in respect of the Notes on substantially the same terms as the outgoing Determination Agent, provided that a person may only be so nominated and appointed as Determination Agent if it is an internationally recognised bank or financial institution permitted to carry out such appointment under applicable law and regulation and provided further that any additional requirements set out in the Agency Agreement relating to such appointment are satisfied. The Trustee shall not be obliged to give any such instruction to the Issuer unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Determination Agent may not resign its duties without a successor having been appointed as aforesaid

In the Conditions, unless the context otherwise requires:

“Determination Agent Bankruptcy Event” means a Bankruptcy Event occurs with respect to the Determination Agent.

(d) Appointment of Disposal Agent

The Issuer shall procure that there shall at all times be a Disposal Agent for so long as any Note is outstanding (as defined in the Trust Deed). If the Disposal Agent fails to duly establish any rate, price, amount or value required to be determined by it under the Conditions or any Transaction Document or to take the steps required of it under the Conditions or the Agency Agreement to Liquidate the Collateral, as the case may be, or fails to comply with any other material requirement pursuant to Conditions, the Agency Agreement or any other Transaction Document, or a Disposal Agent Bankruptcy Event occurs, then the Issuer shall:

- (i) with the prior approval of the Trustee and, provided no Swap Counterparty Event has occurred, the Swap Counterparty, nominate and appoint a leading bank or financial institution engaged in the interbank market or other appropriate market that is most closely connected

with the calculation(s) and/or determination(s) and/or disposal(s) to be made by the Disposal Agent (acting through its principal London office or any other office actively involved in such market), to act as such in its place on substantially the same terms as the outgoing Disposal Agent; or

- (ii) if (x) a Swap Counterparty Event has occurred, (y) the Issuer has been instructed in writing by (I) the holders of all Notes then outstanding (as defined in the Trust Deed) or (II) the Trustee in accordance with an Extraordinary Resolution resolving that the Trustee give such instruction and (z) the Issuer has been indemnified and/or secured and/or pre-funded to its satisfaction for any costs, charges, fees and/or expenses the Issuer may incur in connection with the appointment of a replacement Disposal Agent (whether by one or more Noteholders, a Secured Creditor or any other third party), then the Issuer shall use its reasonable endeavours to appoint the person nominated in such instruction as Disposal Agent in respect of the Notes on substantially the same terms as the outgoing Disposal Agent, provided that a person may only be so nominated and appointed as Disposal Agent if it is an internationally recognised bank or financial institution (or, in the case of Japanese Government Bonds or Japanese Domestic Bonds, a sovereign or financial institution recognised in Japan) permitted to carry out such appointment under applicable law and regulation and provided further that any additional requirements set out in the Agency Agreement relating to such appointment are satisfied. The Trustee shall not be obliged to give any such instruction to the Issuer unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Disposal Agent may not resign its duties without a successor having been appointed. In the Conditions, unless the context otherwise requires:

“Disposal Agent Bankruptcy Event” means a Bankruptcy Event occurs with respect to the Disposal Agent.

11 Taxation

Without prejudice to Condition 7(c) (*Redemption for Taxation Reasons*), all payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any Agent is required by applicable law to make any such payments in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer or such Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount(s) so required to be withheld or deducted. Neither the Issuer nor any Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.

If the Issuer in good faith determines on or prior to the due date for the next payment of principal or interest in respect of the Notes that it will or would but for any substitution or change of residence contemplated herein be required by any applicable law to withhold, deduct or account an amount for any present or future taxes, duties or charges of whatsoever nature or would suffer the same in respect of its income so that it would be unable to make in full the payment of such principal or interest in respect of the Notes (a **“Tax Substitution Event”**), then the Issuer shall as soon as reasonably practicable upon becoming aware of such Tax Substitution Event so inform the Trustee and each relevant Rating Agency then rating the outstanding Notes. If a Tax Substitution Event occurs, the Issuer shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved beforehand in writing by the Trustee and the relevant Swap Counterparty (provided that each of the Issuer and the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction in respect of any costs in connection with such substitution) as the principal obligor or to change (to the prior satisfaction of the Trustee and the relevant Swap Counterparty (provided that each of the Issuer and the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction in respect of any costs in connection with such substitution) its residence for taxation purposes to another jurisdiction approved beforehand in writing by the Trustee and the relevant Swap Counterparty such that following such substitution or change of residence no Tax Substitution Event will exist.

For the avoidance of doubt, the Trustee shall not be liable in any circumstances to indemnify, secure and/or pre-fund the Issuer in respect of any costs in connection with a substitution pursuant to this Condition 11 (*Taxation*) or in any other circumstances.

12 Events of Default

If any of the following events (each an “**Event of Default**”) occurs, provided that no Early Redemption Event has occurred pursuant to Conditions 6(g)(v) (*Benchmark Fallback Provisions*), 7(b) (*Redemption upon Collateral Event*), 7(c) (*Redemption for Taxation Reasons*) or 7(d) (*Redemption in connection with Swap Agreement*), the Trustee at its discretion may, and if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided that, in each case, the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give an Early Redemption Notice to the Issuer that all but not some only of the Notes are, and shall immediately become, due and payable at the Early Redemption Amount (together with any unpaid accrued interest thereon):

- (a) default is made for more than 14 calendar days in the payment of any interest in respect of the Notes or any of them, other than any interest due and payable on the Maturity Date;
- (b) the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) the Issuer: (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger on terms previously approved in writing by the Trustee or by an Extraordinary Resolution); (ii) makes a general assignment, arrangement or composition with or for the benefit of its creditors which for the avoidance of doubt shall not include the granting of Security under any Transaction Document; (iii) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with insolvency, rehabilitative or regulatory jurisdiction over it, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described under (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof, provided that actions taken by the Swap Counterparty or its Affiliates (as defined in the relevant Swap Agreement) shall be disregarded; (iv) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger on terms previously approved in writing by the Trustee or by an Extraordinary Resolution); (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (except that the appointment of the Trustee and the Custodian in respect of the Notes shall be disregarded for the purpose of this provision); (vi) has a secured party take possession of all or substantially all of its assets (except that the appointment of the Trustee and the Custodian in respect of the Notes shall be disregarded for the purpose of this provision) or has a distress, execution, attachment, sequestration or other legal process levied enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in items (i) to (vi) above (inclusive).

The Issuer has undertaken in the Principal Trust Deed that, on the anniversary of the Issue Date of the relevant Series or within 14 calendar days of any request from the Trustee, it will send to the Trustee a certificate signed by one Director of the Issuer or by two Directors if the Issuer has more

than one Director to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date not more than five days before the date of the certificate no Event of Default or event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default had occurred since the certification date of the last such certificate or (if none) the date of such Principal Trust Deed or, if such an event had occurred, giving details of it.

13 Liquidation

(a) Liquidation Event

Upon the Issuer becoming aware of the occurrence of a Liquidation Event, it shall send a notice thereof to the Trustee, the Disposal Agent and the Custodian and the Calculation Agent as soon as is reasonably practicable, provided that if at such time the Issuer would be required to use its reasonable efforts to appoint a replacement Disposal Agent pursuant to Condition 10 (*Agents*), then such notice shall be provided to such replacement Disposal Agent (if any) upon its appointment as Disposal Agent.

The Disposal Agent need not do anything to find out if a Liquidation Event has occurred. Prior to receipt by it of a Liquidation Commencement Notice, the Disposal Agent may assume that no such event has occurred.

For the avoidance of doubt, the Trustee shall not be required to monitor, enquire or satisfy itself as to whether any Liquidation Event has occurred or to calculate any Early Redemption Amount and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer, the Disposal Agent or any Secured Creditor. The Trustee shall be entitled to rely on any notice given by the Issuer, the Disposal Agent or any other person in respect thereof without further enquiry or investigation.

The Disposal Agent shall not be regarded as acting as the agent of the Trustee in any circumstances and the Trustee shall not incur any liability to any person in respect of any acts or omissions or exercise of discretion of the Disposal Agent. The Trustee shall have no responsibility or liability for the performance or any failure or delay in the performance by the Disposal Agent under the Agency Agreement or the Conditions in relation to any Series or for the payment of any commissions or expenses charged by it or for any failure by the Disposal Agent to account for the proceeds of any Liquidation of Collateral in accordance with the Agency Agreement and the Conditions.

The Disposal Agent shall be entitled to rely on a Liquidation Commencement Notice without investigation of whether the relevant Liquidation Event has occurred.

(b) Liquidation Process

Following receipt by it of a valid Liquidation Commencement Notice, the Disposal Agent shall, on behalf of the Issuer and having notified the Trustee in writing, so far as is practicable in the circumstances and to the extent that such Collateral is outstanding, effect an orderly Liquidation of the Collateral with a view to Liquidating all the Collateral on or prior to the Early Redemption Date or Relevant Payment Date, as applicable, and provided that the Disposal Agent shall have no liability if the Liquidation of all Collateral has not been effected by such date. If the Collateral has not been Liquidated in full by such date, the value of such Collateral will be deemed to be zero and the Disposal Agent may transfer such Collateral to itself, an affiliate of the Disposal Agent or a third party without payment of any consideration, provided that if the Trustee delivers an Enforcement Notice to the Issuer, the Custodian and the Disposal Agent, the terms of Condition 14 (*Enforcement of Security*) will prevail. The Trustee shall have no liability for any failure by the Disposal Agent to liquidate the Collateral or for any losses suffered by any person as a result of the transfer of the Collateral by the Disposal Agent to itself, an affiliate of the Disposal Agent or a third party without payment of any consideration.

The Disposal Agent may take such steps as it considers appropriate in order to effect such Liquidation, including but not limited to selecting the method of Liquidating any Collateral. The Disposal Agent must effect any Liquidation as soon as reasonably practicable and in a commercially reasonable manner, even where a larger amount could possibly be received in

respect of such Collateral if any such Liquidation were to be delayed. Subject to such requirement, the Disposal Agent shall be entitled to effect any Liquidation by way of one or multiple transactions on a single or multiple day(s). In effecting any Liquidation, the Disposal Agent may sell any Collateral to any third party, provided that the price for such Collateral is paid to the Custodian or to the order of the Issuer. In accordance with the terms of the Trust Deed and Condition 4(d) (*Disposal Agent's right following Liquidation Event*), following the occurrence of a Liquidation Event and delivery of a valid Liquidation Commencement Notice, the Security shall be released without further action on the part of the Trustee to the extent necessary for the Disposal Agent to effect the Liquidation of the Collateral. Nothing in this Condition 13(b) (*Liquidation Process*) or Condition 4(d) (*Disposal Agent's right following Liquidation Event*) will operate to release the charges and other security interests over the proceeds of the Liquidation of the Collateral. The Disposal Agent will not be liable to the Issuer, the Trustee, the relevant Swap Counterparty, the Noteholders, the Couponholders or any other person merely because a larger amount could have been received had any such Liquidation been delayed or had the Disposal Agent selected a different method of Liquidating any such Collateral. Notwithstanding the obligations of the Disposal Agent pursuant to this Condition 13(b) (*Liquidation Process*), the Disposal Agent shall not effect a Liquidation of any Collateral which is due to be redeemed or repaid on or before the day falling three Business Days prior to the Early Redemption Date or Relevant Payment Date, as applicable, unless a Liquidation Default has occurred in respect thereof prior to or on such day.

In the Conditions, unless the context otherwise requires:

“Liquidation” means, in respect of any Collateral, the realisation of such Collateral for cash proceeds whether by way of sale, early redemption, early repayment or agreed termination or by such other means as the Disposal Agent determines appropriate or in any other manner specified in the relevant Final Terms or, if applicable, Tranche Prospectus, and **“Liquidate”**, **“Liquidated”** and **“Liquidating”** shall be construed accordingly.

“Liquidation Commencement Notice” means (i) a notice in writing to the Disposal Agent (copied to the Trustee) from the Issuer of the occurrence of a Liquidation Event and each Early Redemption Notice and Swap Termination Notice given or copied to the Disposal Agent shall constitute a Liquidation Commencement Notice for these purposes, and (ii) with respect to a Liquidation Event relating to a failure to pay the Final Redemption Amount or any interest that became due and payable on the Maturity Date, a notice in writing to the Disposal Agent from the Issuer (copied to the Trustee) of the occurrence of such Liquidation Event.

“Liquidation Default” means, in respect of any Collateral, either (a) a Collateral Obligor Failure to Pay has occurred in respect of such Collateral or (b) a Collateral Obligor Bankruptcy has occurred in respect of the Collateral Obligor of such Collateral.

“Liquidation Event” means:

- (i) default is made in the payment of (a) the Final Redemption Amount, (b) Optional Redemption Amount or (c) any interest that becomes due and payable on the Maturity Date; or
- (ii) the occurrence of an Early Redemption Event.

(c) Proceeds of Liquidation

The Disposal Agent shall not be liable:

- (i) to account for anything except actual proceeds of the Collateral received by it which, upon receipt, shall automatically become subject to the Security created by the Trust Deed; or
- (ii) for any taxes, costs, charges, losses, damages, liabilities, fees, commissions or expenses arising from or connected with any Liquidation or from any act or omission in relation to the Collateral or otherwise unless such taxes, costs, charges, losses, damages, liabilities or expenses shall be caused by its own fraud or wilful default.

In addition, the Disposal Agent shall not be obliged to pay to the Issuer, any Transaction Party, any Noteholder or any Couponholder interest on any proceeds from any Liquidation held by it at any time.

(d) Good Faith of Disposal Agent

In effecting any Liquidation, the Disposal Agent shall act in good faith and, subject as provided above, in respect of any sale, early repayment, early redemption or agreed termination in respect of the Collateral, shall agree a price that it reasonably believes (after having requested dealers to provide bid quotations in accordance with the following paragraph) to be representative of or better than the price available in the market for the sale of such Collateral in the appropriate size taking into account the total amount of Collateral to be sold, repaid, redeemed or terminated.

If the Disposal Agent is requested to sell the Collateral it shall determine, in a commercially reasonable manner, the then market value of such Collateral. Where the Disposal Agent determines that it is commercially reasonable to do so, it shall use reasonable endeavours to seek firm bid quotes from three dealers in obligations of the type of the Collateral for the purchase of the Collateral for settlement. If at least two bid quotations are received the Disposal Agent shall sell the Collateral at the highest bid quote. If a single bid quote is available, the Disposal Agent shall sell the Collateral at such quote. For the avoidance of doubt, if no bid quote is available, the value of such Collateral shall be deemed to be zero.

(e) Disposal Agent to use all Reasonable Care

The Disposal Agent shall use all reasonable care in the performance of its duties hereunder but shall not be responsible for any loss or damage suffered by any party as a result of the Disposal Agent performing its duties hereunder save that the Disposal Agent's liability to the Issuer shall not be so limited where the loss or damage results from the fraud or wilful default of the Disposal Agent.

(f) No Relationship of Agency or Trust

The Disposal Agent shall not have any obligations towards or relationship of agency or trust with any Noteholder, Couponholder or Transaction Party.

(g) Consultations on Legal Matters

The Disposal Agent may consult on any legal matter with any reputable legal adviser of international standing selected by it, who may be an employee of or adviser to the Issuer, and it shall not be liable in respect of anything done or omitted to be done relating to that matter in good faith in accordance with that adviser's opinion.

(h) Reliance on Documents

The Disposal Agent shall not be liable in respect of anything done or suffered by it in reliance on a document it reasonably believed to be genuine and to have been signed by the proper parties or on information to which it should properly have regard and which it reasonably believed to be genuine and to have been originated by the proper parties.

(i) Entry into Contracts and other Transactions

The Disposal Agent may enter into any contracts or any other transactions or arrangements with any of the Issuer, any Transaction Party, any Noteholder, any Couponholder or any Collateral Obligor or any affiliate of any of them (whether in relation to the Notes, the Collateral, the Security, an Obligation or any other transaction or obligation whatsoever) and may hold or deal in or be a party to the assets, obligations or agreements of which the relevant Collateral form a part and other assets, obligations or agreements of any Collateral Obligor in respect of the Collateral. The Disposal Agent shall not be required to disclose any such contract, transaction or arrangement to any Noteholder, Couponholder or Transaction Party and shall be in no way accountable to the Issuer or (save as otherwise provided in this Agency Agreement and the Conditions) to any Noteholder, Couponholder or any Transaction Party for any profits or benefits arising from any such contract, transaction(s) or arrangement(s).

(j) Illegality

The Disposal Agent shall not be liable to effect a Liquidation of any of the Collateral if it determines, in its sole and absolute discretion, that any such Liquidation of some or all of the Collateral in accordance with Condition 13 (*Liquidation*) would or might require or result in a violation of any applicable law or regulation of the Cayman Islands or any other relevant jurisdiction, including any insolvency prohibition or moratorium on the disposal of assets, or that for any other reason it is not possible for it to dispose of the Collateral (even at zero), and the Disposal Agent notifies the Issuer and the Trustee of the same.

(k) Sales to Disposal Agent and Affiliates

In effecting any Liquidation, the Disposal Agent may sell any Collateral to itself, affiliates of itself or affiliates of the Swap Counterparty provided that the Disposal Agent sells at a price that it believes to be a fair market price.

(l) Notification of Enforcement Event

Upon the Trustee effectively giving an Enforcement Notice to the Disposal Agent following the occurrence of an Enforcement Event, the Disposal Agent shall cease to effect any further Liquidation of any Collateral and shall take no further action to Liquidate any Collateral, save that any transaction entered into in connection with the Liquidation prior to the effective date of any such Enforcement Notice shall be settled and the Disposal Agent shall take any steps and action necessary to settle such transaction and/or which is incidental thereto.

14 Enforcement of Security

(a) Trustee to Enforce Security

At any time after the Trustee becomes aware of the occurrence of an Enforcement Event, it may and (i) if so requested in writing by holders of at least one-fifth in nominal amount of the Notes then outstanding, (ii) if so directed by an Extraordinary Resolution or (iii) if so directed in writing by the Swap Counterparty, shall (provided in each case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction) enforce the Security constituted by the Trust Deed and/or any Other Security Document (if applicable).

(b) Enforcement Notice

Prior to taking any steps to enforce the Security, the Trustee shall notify the Issuer, the Custodian and any Disposal Agent appointed at that time (such notice being an

“**Enforcement Notice**”) that (i) the Trustee intends to enforce the Security constituted by the Trust Deed and/or any Other Security Document (if applicable) and (ii) the Disposal Agent is to cease to effect any further Liquidation of the Collateral (if such Liquidation is taking place) save that any transaction entered into in connection with the Liquidation on or prior to the effective date of such Enforcement Notice shall be settled and the Disposal Agent shall take any steps necessary to settle such transaction.

(c) Enforcement of Security

In order to enforce the Security the Trustee may:

- (i) sell, call in, collect and convert the Mortgaged Property into money in such manner and on such terms as it shall think fit, and the Trustee may, at its discretion, take possession of all or part of the Mortgaged Property over which the Security shall have become enforceable;
- (ii) take such action against any Collateral Obligor as it deems appropriate but without any liability to the Noteholders or Couponholders or any other Secured Creditor as to the consequence of such action and without having regard to the effect of such action on individual Noteholders or Couponholders or any other Secured Creditor; and
- (iii) take any such other action or enter into any such other proceedings as it deems appropriate (including, without limitation, taking possession of all or any of the Mortgaged Property and/

or appointing a receiver) as are permitted under the terms of the Trust Deed and/or any Other Security Document (if applicable).

The Trustee shall not be required to take any action, step or proceeding in relation to the enforcement of the Security without first being indemnified and/or secured and/or pre-funded to its satisfaction.

(d) Enforcement Events

In the Conditions, unless the context otherwise requires, the following defined term shall have the meaning set out below:

“**Enforcement Event**” means the occurrence of one or more of the following events:

- (i) the Issuer fails to pay (a) the Final Redemption Amount and/or (b) any interest that becomes due and payable on the Maturity Date, and, in each case, has not paid any such amount (together with any default interest accrued thereon) by the Relevant Payment Date;
- (ii) following the occurrence of an Early Redemption Event, payment in respect of the Early Redemption Amount in respect of the Notes is not made on the Early Redemption Date; and/or
- (iii) following payment in full by the Issuer of any amount that has become due and payable to the Noteholders and the Couponholders (whether before or after the Maturity Date), the failure by the Issuer to pay any amount due and payable to the Swap Counterparty on the relevant due date for payment under the relevant Swap Agreement.

“**Relevant Payment Date**” means in the case of the enforcement of Security relating to an Enforcement Event arising due to the failure to pay the Final Redemption Amount or any interest that became due and payable on the Maturity Date, the day which falls 15 Business Days after the Maturity Date.

(e) Enforcement of Rights

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Secured Creditors under the Trust Deed and/or any Other Security Document and the Conditions and none of the Noteholders, the Couponholders or the other Transaction Parties is entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so within a reasonable period and such failure is continuing. In respect of any failure by the Issuer to make payment of the Final Redemption Amount and/or any interest that became due and payable on the Maturity Date, no Noteholder or Couponholder or other Secured Creditor may direct the Trustee to pursue any remedies against the Issuer for any breach by the Issuer of the terms of the Trust Deed, the Notes or the Coupons until after the Relevant Payment Date and the Trustee shall incur no liability to any person for any loss which may arise from such delay.

Only the Trustee may enforce the Security over the Mortgaged Property in accordance with, and subject to the terms of, the Trust Deed and/or any Other Security Document.

The Trustee shall in no circumstances be obliged to take any action, step or proceeding whether pursuant to the Trust Deed and/or any Other Security Document or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.

15 Application of Proceeds

(a) Application of Proceeds of Liquidation

Following the Liquidation in full of the Collateral as a result of a Liquidation Event the Issuer shall, on the Early Redemption Date or Relevant Payment Date, as applicable (or, if later, the date falling

two Business Days after all the Collateral has been liquidated in full and the cash proceeds have been received by or on behalf of the Issuer) apply the Available Proceeds as follows:

- (i) first, in payment of any taxes required to be paid in connection with the Liquidation and/or any realisation of the Collateral and/or the Security by the Trustee, any receiver or the Disposal Agent;
- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities (if any) of the Trustee under the Trust Deed and the other Transaction Documents (including any taxes required to be paid and the Trustee's remuneration);
- (iii) thirdly, *pari passu* in payment of any amounts owing to the Custodian for reimbursement in respect of payments properly made by it in accordance with the terms of the Custody Agreement relating to sums receivable on or in respect of the relevant Collateral and in payment of any amounts owing to the Issuing and Paying Agent for reimbursement in respect of payments made by it in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Payment Obligation;
- (iv) fourthly, in payment of any fees, costs, charges, expenses and liabilities then due and payable to the Custodian under the Custody Agreement and the Paying Agents, the Calculation Agent, the Determination Agent, the Disposal Agent, the Registrar and the Transfer Agent under the Agency Agreement;
- (v) fifthly, in payment of any amounts owing to the Swap Counterparty under the relevant Swap Agreement (if any);
- (vi) sixthly, in payment of (A) the Early Redemption Amount then due and payable, (B) the Final Redemption Amount then due and payable or (C) any interest that became due and payable on the Maturity Date and that remains due and payable, as the case may be, and, in each case, any interest accrued thereon (which, for the avoidance of doubt, shall include default interest) to the holders of Notes; and
- (vii) finally, subject to the rights of the Custodian set out in Clause 10.3 of the Custody Agreement, in payment of the Residual Amount to the Issuer,

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

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

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

“Available Proceeds” means with respect to a Liquidation Event or Enforcement Event, all sums derived from a liquidation of the Collateral for the Notes, any amount paid by the Swap Counterparty to the Issuer as a result of the termination of all outstanding Swap Transactions under the Swap Agreement (if any) relating to the Notes, any amounts realised by the Trustee on enforcement of Security and all other sums available to the Issuer or the Trustee, as the case may be, derived from the Mortgaged Property for such Series.

“Residual Amount” means, with respect to an application of Available Proceeds in connection with a Liquidation Event or an Enforcement Event, as applicable, all remaining proceeds (if any) after the application of the Available Proceeds to satisfy the payments set out in paragraphs (i) to (vi) of Conditions 15(a) (*Application of Proceeds of Liquidation*) or 15(b) (*Application of Proceeds of Enforcement of the Security*), as applicable.

(b) Application of Proceeds of Enforcement of the Security

Subject to and in accordance with the terms of the Trust Deed and/or any Other Security Document (if applicable), with effect from the effective date of any Enforcement Notice delivered by the Trustee following the occurrence of an Enforcement Event, the Trustee will hold the Available Proceeds received by it under the Trust Deed on trust to apply them as follows:

- (i) first, in payment of any taxes required to be paid in connection with the Liquidation and/or any realisation of the Collateral and/or the Security by the Trustee, any receiver or the Disposal Agent;
- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities (if any) of the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, the cost of realising any Security and the Trustee's remuneration);
- (iii) thirdly, *pari passu* in payment of any amounts owing to the Custodian for reimbursement in respect of payments properly made by it in accordance with the terms of the Custody Agreement relating to sums receivable on or in respect of the relevant Collateral and in payment of any amounts owing to the Issuing and Paying Agent for reimbursement in respect of payments made in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Payment Obligation;
- (iv) fourthly, in payment of any fees, costs, charges, expenses and liabilities then due and payable to the Custodian under the Custody Agreement and the Paying Agents, the Calculation Agent, the Determination Agent, the Disposal Agent, the Registrar and the Transfer Agent under the Agency Agreement;
- (v) fifthly, in payment of any amounts owing to the Swap Counterparty under the relevant Swap Agreement;
- (vi) sixthly, in payment of (A) the Early Redemption Amount then due and payable, (B) the Final Redemption Amount then due and payable or (C) any interest that became due and payable on the Maturity Date and that remains due and payable, as the case may be, and, in each case, any interest accrued thereon (which, for the avoidance of doubt, shall include default interest) to the holders of Notes; and
- (vii) finally, subject to the rights of the Custodian set out in Clause 10.3 of the Custody Agreement, in payment of the Residual Amount to the Issuer.

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

(c) Insufficient Proceeds

If, following a Liquidation Event or an Enforcement Event, the available cash sums pursuant to Conditions 15(a) (*Application of Proceeds of Liquidation*) or 15(b) (*Application of Proceeds of Enforcement of the Security*), as applicable, are insufficient for the holders of Notes to receive payment in full of (i) the Early Redemption Amount, (ii) the Final Redemption Amount or (iii) any interest due and payable on the Maturity Date, as the case may be, and, in each case, any interest accrued thereon, the holders of Notes will receive an amount which is less than any such amount and the provisions of Condition 16 (*Limited Recourse and Non-Petition*) will apply.

(d) Foreign Exchange Conversion

To the extent that any proceeds payable to any party pursuant to this Condition 15 (*Application of Proceeds*) are not in the Relevant Currency, then such proceeds shall be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Disposal Agent (prior to the Trustee enforcing the Security pursuant to the Trust Deed and as described in Condition 14 (*Enforcement of Security*)) or the Trustee (following the Trustee enforcing the Security pursuant to the Trust Deed and as described in Condition 14 (*Enforcement of*

Security)), but having regard to current rates of exchange, if available. Any rate, method and date so specified shall be binding on the Issuer, the Noteholders, the Couponholders, the Swap Counterparty and the Custodian.

For such purposes, “**Relevant Currency**” means the currency in which the Notes are denominated unless otherwise specified in the relevant Final Terms or Tranche Prospectus, if applicable.

16 Limited Recourse and Non-Petition

(a) General Limited Recourse

In respect of the Notes, the Transaction Parties, the Noteholders and the Couponholders shall have recourse only to the Mortgaged Property in respect of such Notes, subject always to the Security, and not to any other assets of the Issuer. If after (i) the Mortgaged Property in respect of such Notes is exhausted (whether following Liquidation or enforcement of the Security) and (ii) application of the Available Proceeds as provided in Conditions 15(a) (*Application of Proceeds of Liquidation*) or 15(b) (*Application of Proceeds of Enforcement of the Security*) (as applicable), any outstanding claim against the Issuer in respect of the Notes or the Transaction Documents relating to the Notes remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following extinguishment in accordance with this Condition 16(a) (*General Limited Recourse*), none of the Transaction Parties, the Noteholders, the Couponholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum in respect of such Notes.

(b) Non-Petition

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

(c) Survival

The provisions of this Condition 16 (*Limited Recourse and Non-Petition*) shall survive notwithstanding any redemption of the Notes or the termination or expiration of any Transaction Document.

17 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

18 Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes,

(ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes (except where such variation is bound to result in an increase), (iv) if any Rate of Interest is specified in the relevant Final Terms or Tranche Prospectus, if applicable, as being subject to a maximum or minimum amount or value, to reduce any such minimum and/or maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Optional Redemption Amount or the Early Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, (viii) to modify the provisions of the Trust Deed concerning this exception, (ix) to modify Condition 4 (*Security*) or to hold an Extraordinary Resolution for purposes of Conditions 4(b) (*Substitution of Mortgaged Property*) or 4(c) (*Issuer's rights as beneficial owner of Collateral*), (x) to modify Conditions 7(a) (*Final Redemption*) to 7(d)(ii) (*Redemption for Swap Counterparty Event*) or Condition 12 (*Events of Default*) or (xi) to modify Conditions 15 (*Application of Proceeds*) and 16 (*Limited Recourse and Non-Petition*), in which case the necessary quorum ("**Special Quorum**") shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. of the Notes for the time being outstanding in accordance with the Trust Deed. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at or participated in the meeting at which such resolution was passed) and on the holders of Coupons and Talons.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied) be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. Such a resolution will be binding on all Noteholders, whether or not they participated in such written resolution, and on the holders of Coupons and Talons.

(b) Modification of the Conditions and/or any Transaction Document

The Trustee may agree, without the consent of the Noteholders or the Couponholders, to (i) any modification of any of the Conditions or any of the provisions of the Transaction Documents that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Conditions or any of the provisions of the Transaction Documents that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and such modification shall be notified to the Noteholders as soon as practicable. The Issuer shall notify each relevant Rating Agency then rating the outstanding Notes of any modification made by it in accordance with this Condition 18(b) (*Modification of the Conditions and/or any Transaction Document*).

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, without the consent of the Noteholders or the Couponholders but subject to the prior written consent of the relevant Swap Counterparty, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes, the Coupons and the Talons, as applicable. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. The Issuer shall notify each relevant Rating Agency then rating the outstanding Notes of any substitution.

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 18 (*Meetings of Noteholders, Modification, Waiver and Substitution*)) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

(e) Change in Standard Terms and Market Conventions

The Determination Agent, acting reasonably, may (but shall not be obligated to) modify these Conditions from time to time with effect from a date designated by the Determination Agent to the extent reasonably necessary to ensure consistency with prevailing market standards or market trading conventions, which are, pursuant to the agreement of leading dealers in the credit derivatives market or any relevant ISDA committee, a market-wide protocol, any applicable law or regulation or the rules of any applicable exchange or clearing system, applicable to any notional swap transaction or hedge transaction entered into prior to such date. The Determination Agent shall notify the Issuer, the Trustee, the Paying Agents (where relevant) and the Noteholders as soon as reasonably practicable upon making any such determination.

In particular, the Determination Agent may make such modifications as may be necessary to ensure consistency with any successor provisions ("**Successor Provisions**") which are published by The International Swap and Derivatives Association, Inc. ("**ISDA**") and which supersede the 2003 ISDA Credit Derivatives Definitions, the 2003 ISDA Credit Derivatives Definitions as supplemented by the July 2009 Supplement and/or the 2014 ISDA Credit Derivatives Definitions, as the case may be, for the purposes of credit derivatives transactions generally (including with respect to transactions which are entered into prior to the relevant date of publication and which are outstanding as of that date) and/or may apply and rely on determinations of the Credit Derivatives Determinations Committee (as defined in the 2014 ISDA Credit Derivatives Definitions) made in respect of a relevant reference entity under any such Successor Provisions notwithstanding any discrepancy between the terms of such Successor Provisions and these Conditions.

Any modification made by the Determination Agent pursuant to this Condition 18(e) (*Change in Standard Terms and Market Conventions*) shall (in the absence of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents (where relevant) and the Noteholders.

To the extent that the Trustee is requested by the Issuer or the Determination Agent to execute documentation to effect amendments determined to be necessary by the Determination Agent pursuant to this Condition, the Trustee shall be entitled to do so (without seeking the consent of the Noteholders or any other interested person), provided that the Trustee has received a certificate signed by a director of the Issuer or the Determination Agent confirming that such amendments are indeed necessary pursuant to this Condition. Notwithstanding the preceding sentence, the Trustee shall not be required to agree to any such amendments if, in its sole opinion, such amendments would increase its obligations or negatively impact its rights or protections under any Transaction Document and any amendment effected (or purported to be effected) by the Determination Agent hereunder which would increase the Trustee's obligations or negatively impact its rights or protections as aforesaid shall be deemed not to be binding on the Trustee.

(f) Modifications upon Regulatory Requirement Event

Notwithstanding Condition 18(b) (*Modification of the Conditions and/or any Transaction Document*) above, the Determination Agent may, following the occurrence of a Regulatory Requirement Event, notify the Issuer and each Transaction Party of any modifications that are required to be made to the Conditions and/or a Transaction Document (each a "**Regulatory Modification**") in order to cause (i) the transactions contemplated by the Conditions and the Transaction Documents to be compliant with all Relevant Regulatory Laws, (ii) the Issuer and each Transaction Party to be compliant with all Relevant Regulatory Laws, and (iii) the Issuer and each Transaction Party to be able to continue to transact future business in compliance with all Relevant

Regulatory Laws. The Issuer will, without the need for the consent of the Trustee or Noteholders (unless such Regulatory Modification imposes more onerous obligations upon the Trustee or any Agent or reduces or removes the protections given to the Trustee or any Agent pursuant to the Conditions or any Transaction Document, in which case consent of the Trustee or the Agents (as applicable) shall be required), agree to the Regulatory Modifications, if:

- (a) such Regulatory Requirement Event does not also constitute an Early Redemption Event (in which case the provisions of 6(g)(v) (*Benchmark Fallback Provisions*), 7(b) (*Redemption upon Collateral Event*), 7(c) (*Redemption for Taxation Reasons*), 7(d) (*Redemption in connection with Swap Agreement*) or 12 (*Events of Default*) (as applicable) shall prevail); and
- (b) such Regulatory Modification will not (A) materially alter the economic substance of the scheduled payments under the transaction constituted by the Conditions or the Transaction Document when considered as a whole, or (B) result in the Issuer incurring any material liability or expense (whether by way of tax or otherwise), (C) result in the occurrence of a termination event or an event of default (howsoever defined) in respect of the Notes or any Transaction Document, or (D) affect the operation of Condition 16(a) (*General Limited Recourse*) or similar provisions in any Transaction Document,

and following the proposal of such Regulatory Modification by the Calculation Agent, the Issuer and each Transaction Party shall use their reasonable endeavours to take such action and execute all such documentation as the Determination Agent may reasonably require, to effect such Regulatory Modification.

Any modification to the Conditions which is a Regulatory Modification shall be binding on the Noteholders and will be notified to them by the Issuer if the Trustee so requires.

Where:

A “**Regulatory Requirement Event**” shall occur if, in the determination of the Determination Agent, as a result of (i) any enactment of, or supplement or amendment to, or a change in, a Relevant Regulatory Law, or the official interpretation of a Relevant Regulatory Law, or (ii) the implementation or application of any rule, technical guidelines, regulatory technical standards or further relevant regulations related to a Relevant Regulatory Law or (iii) any official communication, interpretation, guidance or official rules or procedures or determination made by any relevant regulatory authority related to a Relevant Regulatory Law, the Issuer or a Transaction Party is no longer able to perform its obligations under or in connection with the Notes or a Transaction Document or is no longer able to enter into new business (as issuer of notes or as a transaction counterparty to the Issuer).

“**Relevant Regulatory Laws**” means any relevant law applicable to a Transaction Party and/or any affiliate thereof from time to time as may be in force as at the Issue Date of the relevant Series, or that comes into force or is due to come into force at any time after such Issue Date.

19 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in the relevant Final Terms or Tranche Prospectus, if applicable, (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 21 (*Notices*), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate or Coupon is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

20 Further Issues

The Issuer may from time to time without the consent of the Noteholders or the Couponholders, but subject to Condition 5 (*Restrictions*), create and issue further notes or other Obligations either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, issue date, issue price and nominal amount) and so that such further issue shall be consolidated and form a single series with the Notes or upon such terms as the Issuer may determine at the time of their issue. Any such further notes shall only form a single series with the Notes provided that (i) (unless otherwise approved by an Extraordinary Resolution) the Issuer provides additional assets as security for such further notes which are fungible with, and have the same proportionate composition as, those forming part of the Mortgaged Property for the Notes and in the same proportion that the nominal amount of such new notes bears to the Notes and the Issuer enters into an additional or supplemental Swap Agreement extending the terms of any existing Swap Agreement to the new notes on terms no less favourable than such existing documents and agreements, (ii) if the existing Notes have been rated, the Issuer reasonably believes that their ratings will not be adversely affected or withdrawn as a result of the issue of further notes and the Issuer notifies the relevant Rating Agency prior to such issuance. Any new notes forming a single series with the Notes shall be constituted and secured by a deed supplemental to the Trust Deed, such further security shall be added to the Mortgaged Property so that the new notes and the existing Notes shall be secured by the same Mortgaged Property and references in the Conditions to “Notes”, “Collateral”, “Mortgaged Property”, the “Swap Agreement”, “Secured Payment Obligations” and “Secured Creditor” shall be construed accordingly. The Trust Deed contains provisions for convening a single meeting of the holders of the Notes and the holders of notes of other specified series in certain circumstances where the Trustee so decides.

21 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the day it is delivered in the case of recorded delivery and three calendar days (excluding Saturdays and Sundays) in the case of inland post or seven calendar days (excluding Saturdays and Sundays) in the case of overseas post after despatch or if earlier when delivered, save that for purposes only of determining the occurrence of any Early Redemption Event the relevant Early Redemption Notice shall be deemed to have been given on the date despatched. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 21 (*Notices*).

Notices from the Noteholders to the Issuer, the Trustee or the Calculation Agent shall be in writing and mailed to the specified office of the relevant party (in each case with a copy of such notice to the specified office of the Trustee and the Issuer) or to such other address as may be notified to the Noteholders as set out in this Condition 21 (*Notices*). Any such notice shall be effective when the actual notice is delivered. For the purpose of determining when such notice shall be effective the delivery of the copies of such notice shall not be relevant.

22 Indemnification and Obligations of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee, for its relief from responsibility including for the exercise of any voting rights in respect of the Collateral and for the validity, sufficiency and enforceability (which the Trustee has not investigated) of the Security created over the Mortgaged Property. The Trustee is not obliged or required to take any action, step or proceeding under the Trust Deed unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee and any affiliate are entitled to enter into business transactions with the Issuer, any Collateral Obligor or any Swap Counterparty or any of their subsidiaries, holding or associated companies without accounting to the Noteholders or Couponholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Collateral, from any obligation to insure or to procure the insuring of the Collateral and from any claim arising from the fact that the Collateral will be held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being performed unless and until it has actual knowledge to the contrary.

The Trust Deed provides that in acting as Trustee under the Trust Deed the Trustee does not assume any duty or responsibility to the relevant Swap Counterparty, the Custodian or the Issuing and Paying Agent or any other Transaction Party (other than to pay to any of such parties any moneys received and repayable to it and to act in accordance with the provisions of Condition 15 (*Application of Proceeds*)) and shall have regard solely to the interests of the Noteholders.

23 Anti-Money Laundering Compliance

(a) Cayman AML Compliance

In respect of any Registered Notes in definitive form and which are not held through a clearing system, each Noteholder is requested by the Issuer and will provide the Issuer or its agents with such information and documentation that may be required for the Issuer to achieve Cayman AML Compliance and shall update or replace such information or documentation, as may be necessary.

(b) Non-Permitted Noteholders

In respect of any Registered Notes in definitive form and which are not held through a clearing system, if the Issuer determines at any time that any Noteholder is a Non-Permitted Noteholder, the Issuer shall have the right to (i) compel the relevant Noteholder to sell or transfer its interest in such Notes or (ii) sell such interest on such Noteholder's behalf. The Issuer shall not compel sales or transfers for failure to provide such information or documentation requested or required in accordance with Condition 23(a) (*Cayman AML Compliance*) unless the Issuer reasonably determines the Noteholder's acquisition, holding or transfer of an interest in such Note could result in a materially adverse effect on the Issuer.

In the Conditions, unless the context otherwise requires:

“**Administrator**” means Summit Management Limited, a company incorporated in the Cayman Islands with its principal office at PO Box 32311, Suite# 4-210 Governors Square, Grand Cayman, KY1-1209, Cayman Islands.

“**AML Services Agreement**” means the agreement between the Issuer and the Administrator (as amended from time to time) for the provision of services to the Issuer to enable the Issuer to achieve Cayman AML Compliance.

“**Cayman AML Compliance**” means compliance with the Anti-Money Laundering Regulations (2018 Revision) and The Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, each as amended and revised from time to time.

“**Non-Permitted AML Holder**” means any Noteholder that fails to provide or update information required in accordance with this Condition 23(a) (*Cayman AML Compliance*).

24 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

25 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Service of Process

The Issuer has irrevocably appointed pursuant to the Trust Deed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

Upon the initial deposit of a Global Note with a Common Depository or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms or Tranche Prospectus, if applicable) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, or any other clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms or Tranche Prospectus, if applicable, indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Overview of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms or Tranche Prospectus, if applicable, for Definitive Notes.

In relation to any issue of Notes which are represented by a temporary Global Note which is expressed to be exchangeable for definitive Bearer Notes at the option of Noteholders, such Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and multiples thereof.

Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or

announces an intention permanently to cease business or in fact does so, by the Issuer giving notice to the Issuing and Paying Agent and the Noteholders of its intention to effect such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only.

Global Certificates

If the Final Terms or Tranche Prospectus, if applicable, states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) (*Transfers of Registered Notes*) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so;
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer, provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the registered holder has given the Registrar not less than 30 days' notice at its specified office of the holder's intention to effect such transfer. Where the holding of Notes represented by a Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

Delivery of Notes

On or after any due date for exchange or transfer, the holder of a Global Note or Global Certificate may surrender such Global Note or Global Certificate or, in the case of a partial exchange or transfer, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note or Global Certificate, or the part thereof to be exchanged or transferred, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note or Global Certificate exchangeable or transferrable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes.

In this Base Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon) and, in relation to any Global Certificate, the definitive Registered Notes from which interests in such Global Certificate has been transferred. Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 calendar days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 calendar days, or in the case of failure to pay principal in respect of any Notes when due 30 calendar days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the

specified office of the Issuing and Paying Agent is located and, if applicable, in the city in which the relevant clearing system is located.

Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions set out in the Base Prospectus. The following is a summary of those provisions.

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(c)(ii)(B) (*Redemptions for Taxation Reasons*) and Condition 10(a)(x) (*Appointment of Agents*) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the words “in the relevant place of presentation,” shall not apply in the definition of “business day” in Condition 9(g) (*Non-Business Days*).

Condition 9(b) (*Registered Notes*) is amended such that all payments in respect of Registered Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the due date for payment (such date shall be the “**Record Date**” in respect of such Registered Notes), where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note or the Global Certificate will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in the Conditions).

Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.)

Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note. Cancellation of any Note represented by the Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption), shall be effected by a reduction in the principal amount of the Notes in the register of Noteholders and the endorsement (for information purposes only) of the Global Certificate by the Issuing and Paying Agent.

Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

Issuer's Options

Any option of the Issuer provided for in the Conditions, while the Notes are represented by a permanent Global Note or the Global Certificate, shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

Noteholders' Option

Any Noteholders' option provided for in the Conditions while the Notes are represented by a permanent Global Note or the Global Certificate may be exercised by the holder giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and, at the same time presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

Amendments when in Global Form

While any Global Note is held on behalf of, or Global Certificate is registered in the name of any nominee for, a clearing system, then, in respect of any resolution proposed by the Issuer or the Trustee, where the terms of the proposed resolution have been notified to the Noteholders through the relevant clearing system(s), each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding ("**Electronic Consent**"). Neither the Issuer nor the Trustee shall be liable or responsible to anyone for such reliance. Electronic Consent shall take effect as an Extraordinary Resolution and will be binding on all Noteholders and holders of Coupons and Talons, whether or not they participated in such Electronic Consent.

Where Electronic Consent is not being sought, then for the purpose of determining whether a written resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or instructions given by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal

amount of the Notes is clearly identified together with the amount of such holding. The Issuer and the Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Notices

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or the Global Certificate, as the case may be, except that, so long as the Notes are listed on Euronext Dublin or any other stock exchange, all notices to Noteholders will be published in accordance with the rules of Euronext Dublin or such other stock exchange, as applicable. Any such notice shall be deemed to have been given to the Noteholders on the Business Day immediately following the day on which the said notice was given to the relevant clearing system.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used to purchase the Collateral constituting the Mortgaged Property in respect of the relevant Series.

DESCRIPTION OF THE ISSUERS

Takumi I Limited

The Issuer

Takumi I Limited (the “**Issuer**”), an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 11 October 2011 under the Companies Law (2010 Revision) of the Cayman Islands with company registration number MC – 263297. The registered office of the Issuer is at Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands. The telephone number of the registered office is +1 345 945 7676.

The authorised share capital of the Issuer is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1.00 each, 250 of which have been issued. All of the issued shares (the “**Shares**”) are fully-paid and are held by SML Trustees Limited as share trustee (in such capacity, the “**Share Trustee**”) under the terms of a declaration of trust dated 8 December 2011, as supplemented and amended by a deed of retirement and appointment of trustees dated 20 July 2015 (the “**Declaration of Trust**”), under which the Share Trustee holds the Shares on trust until the Termination Date (as defined in the Declaration of Trust) and may only dispose or otherwise deal with the Shares with the approval of the Trustee of the Notes for so long as there are any Notes outstanding. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power with the consent of the Trustee of the Notes, to benefit the Noteholders or Qualified Charities (as defined in the Declaration of Trust). It is not anticipated that any distribution will be made whilst any Note is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

The Business of the Issuer

The Issuer does not have any substantial assets or liabilities, other than in connection with the Notes.

So long as any of the Notes remain outstanding, the Issuer shall not, without the consent of the Trustee of the Notes, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding assets in connection with the Notes), issuing the Notes and entering into related agreements and transactions as provided for in the Trust Deed, or, *inter alia*, declare any dividends, have any subsidiaries (although it may have more than one branch) or employees, purchase, own, lease, or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Trust Deed) or issue any shares (other than such Shares as were in issue on the date hereof or as contemplated in the Transaction Documents).

The Issuer has, and will have, no assets other than the sum of U.S.\$250 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of the Notes and the acquisition of assets in connection with the Notes, the bank account into which such paid-up share capital and fees are deposited, any interest earned thereon and the assets on which the Notes are secured. Save in respect of fees generated in connection with the issue of the Notes any related profits and proceeds of any deposits and investments made from such fees or from amounts representing the Issuer’s issued and paid-up share capital, the Issuer does not expect to accumulate any surpluses.

The Notes are the obligations of the Issuer alone and not the Share Trustee. Furthermore, they are not the obligations of, or guaranteed in any way by the Arranger or any other party.

Restrictions on the Offer of the Notes

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on the Cayman Islands Stock Exchange.

Financial Statements

Since the date of incorporation, no financial statements of the Issuer have been prepared. The Issuer is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors. The Issuer has commenced operations. The Issuer is required to and will provide the Trustee of the Notes with written confirmation, on an annual basis, that no Event of Default, Potential Event of Default or

Enforcement Event, Liquidation Event (each as defined in the Trust Deed) or any other breach of the Trust Deed has occurred.

Authorised and Issued Share Capital

The following table sets out the authorised and issued share capital of Takumi I Limited as at the date of the Base Prospectus:

Shareholders’ Funds	(US\$)
Authorised:	50,000
Issued:	250

Directors of the Issuer

The directors of the Issuer are as follows:

Name	Principal Occupation
Darren Riley	Director, Summit Management Limited
Laura Medley	Assistant Manager Fiduciary Services, Summit Management Limited

The business address of each Director is:

Suite #4-210,
Governors Square,
23 Lime Tree Bay Avenue,
PO Box 32311,
Grand Cayman,
KY1-1209,
Cayman Islands.

The Issuer’s Articles of Association provide that the board of directors of the Issuer will consist of at least one director.

The Administrator

Summit Management Limited acts as the administrator of the Issuer (in such capacity, the “**Administrator**”). The office of the Administrator serves as the general business office of the Issuer. Through the office, and pursuant to the terms of an Administration Agreement dated 21 July 2015 between the Issuer and the Administrator (the “**Administration Agreement**”), the Administrator performs in the Cayman Islands or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Issuer and the provision of certain clerical, administrative and other services until termination of the Administration Agreement. In consideration of the foregoing, the Administrator receives various fees payable by the Issuer at rates agreed upon from time to time, plus expenses. The terms of the Administration Agreement provide that either the Issuer or the Administrator may terminate such agreement by giving at least 14 days’ notice to the other party at any time within 12 months of the happening of any of certain stated events, including any breach by the other party of its obligations under such agreement. In addition, the Administration Agreement provides that either party shall be entitled to terminate such agreement by giving at least three months’ notice in writing to the other party with a copy to any applicable rating agency.

The Administrator will be subject to the overview of the Issuer’s Board of Directors. The Administration Agreement may be terminated (other than as stated above) by either the Issuer or the Administrator giving the other three months written notice.

The Administrator’s principal office is Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands.

Takumi II Limited

The Issuer

Takumi II Limited (the “**Issuer**”), an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 11 October 2011 under the Companies Law (2010 Revision) of the Cayman Islands with company registration number MC – 263294. The registered office of the Issuer is at Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands. The telephone number of the registered office is +1 345 945 7676.

The authorised share capital of the Issuer is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1.00 each, 250 of which have been issued. All of the issued shares (the “**Shares**”) are fully-paid and are held by SML Trustees Limited as share trustee (in such capacity, the “**Share Trustee**”) under the terms of a declaration of trust dated 8 December 2011, as supplemented and amended by a deed of retirement and appointment of trustees dated 20 July 2015 (the “**Declaration of Trust**”), under which the Share Trustee holds the Shares on trust until the Termination Date (as defined in the Declaration of Trust) and may only dispose or otherwise deal with the Shares with the approval of the Trustee of the Notes for so long as there are any Notes outstanding. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power with the consent of the Trustee of the Notes, to benefit the Noteholders or Qualified Charities (as defined in the Declaration of Trust). It is not anticipated that any distribution will be made whilst any Note is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

The Business of the Issuer

The Issuer does not have any substantial assets or liabilities, other than in connection with the Notes.

So long as any of the Notes remain outstanding, the Issuer shall not, without the consent of the Trustee of the Notes, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding assets in connection with the Notes), issuing the Notes and entering into related agreements and transactions as provided for in the Trust Deed, or, *inter alia*, declare any dividends, have any subsidiaries (although it may have more than one branch) or employees, purchase, own, lease, or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Trust Deed) or issue any shares (other than such Shares as were in issue on the date hereof or as contemplated in the Transaction Documents).

The Issuer has, and will have, no assets other than the sum of U.S.\$250 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of the Notes and the acquisition of assets in connection with the Notes, the bank account into which such paid-up share capital and fees are deposited, any interest earned thereon and the assets on which the Notes are secured. Save in respect of fees generated in connection with the issue of the Notes any related profits and proceeds of any deposits and investments made from such fees or from amounts representing the Issuer’s issued and paid-up share capital, the Issuer does not expect to accumulate any surpluses.

The Notes are the obligations of the Issuer alone and not the Share Trustee. Furthermore, they are not the obligations of, or guaranteed in any way by the Arranger or any other party.

Restrictions on the Offer of the Notes

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on the Cayman Islands Stock Exchange.

Financial Statements

Since the date of incorporation, no financial statements of the Issuer have been prepared. The Issuer is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors. The Issuer has commenced operations. The Issuer is required to and will provide the Trustee of the Notes with written confirmation, on an annual basis, that no Event of Default, Potential Event of Default or Enforcement Event, Liquidation Event (each as defined in the Trust Deed) or any other breach of the Trust Deed has occurred.

Authorised and Issued Share Capital

The following table sets out the authorised and issued share capital of Takumi II Limited as at the date of the Base Prospectus:

<u>Shareholders' Funds</u>	<u>(US\$)</u>
Authorised:	50,000
Issued:	250

Directors of the Issuer

The directors of the Issuer are as follows:

Name	Principal Occupation
Darren Riley	Director, Summit Management Limited
Laura Medley	Assistant Manager Fiduciary Services, Summit Management Limited

The business address of each Director is:

Suite #4-210,
Governors Square,
23 Lime Tree Bay Avenue,
PO Box 32311,
Grand Cayman, KY1-1209,
Cayman Islands.

The Issuer's Articles of Association provide that the board of directors of the Issuer will consist of at least one director.

The Administrator

Summit Management Limited acts as the administrator of the Issuer (in such capacity, the "**Administrator**"). The office of the Administrator serves as the general business office of the Issuer. Through the office, and pursuant to the terms of an Administration Agreement dated 21 July 2015 between the Issuer and the Administrator (the "**Administration Agreement**"), the Administrator performs in the Cayman Islands or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Issuer and the provision of certain clerical, administrative and other services until termination of the Administration Agreement. In consideration of the foregoing, the Administrator receives various fees payable by the Issuer at rates agreed upon from time to time, plus expenses. The terms of the Administration Agreement provide that either the Issuer or the Administrator may terminate such agreement by giving at least 14 days' notice to the other party at any time within 12 months of the happening of any of certain stated events, including any breach by the other party of its obligations under such agreement. In addition, the Administration Agreement provides that either party shall be entitled to terminate such agreement by giving at least three months' notice in writing to the other party with a copy to any applicable rating agency.

The Administrator will be subject to the overview of the Issuer's Board of Directors. The Administration Agreement may be terminated (other than as stated above) by either the Issuer or the Administrator giving the other three months written notice.

The Administrator's principal office is Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands.

Takumi III Limited

The Issuer

Takumi III Limited (the "**Issuer**"), an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 11 October 2011 under the Companies Law (2010 Revision) of the Cayman

Islands with company registration number MC – 263300. The registered office of the Issuer is at Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands. The telephone number of the registered office is +1 345 945 7676.

The authorised share capital of the Issuer is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1.00 each, 250 of which have been issued. All of the issued shares (the “**Shares**”) are fully-paid and are held by SML Trustees Limited as share trustee (in such capacity, the “**Share Trustee**”) under the terms of a declaration of trust dated 8 December 2011, as supplemented and amended by a deed of retirement and appointment of trustees dated 20 July 2015 (the “**Declaration of Trust**”), under which the Share Trustee holds the Shares on trust until the Termination Date (as defined in the Declaration of Trust) and may only dispose or otherwise deal with the Shares with the approval of the Trustee of the Notes for so long as there are any Notes outstanding. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power with the consent of the Trustee of the Notes, to benefit the Noteholders or Qualified Charities (as defined in the Declaration of Trust). It is not anticipated that any distribution will be made whilst any Note is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

The Business of the Issuer

The Issuer does not have any substantial assets or liabilities, other than in connection with the Notes.

So long as any of the Notes remain outstanding, the Issuer shall not, without the consent of the Trustee of the Notes, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding assets in connection with the Notes), issuing the Notes and entering into related agreements and transactions as provided for in the Trust Deed, or, *inter alia*, declare any dividends, have any subsidiaries (although it may have more than one branch) or employees, purchase, own, lease, or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Trust Deed) or issue any shares (other than such Shares as were in issue on the date hereof or as contemplated in the Transaction Documents).

The Issuer has, and will have, no assets other than the sum of U.S.\$250 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of the Notes and the acquisition of assets in connection with the Notes, the bank account into which such paid-up share capital and fees are deposited, any interest earned thereon and the assets on which the Notes are secured. Save in respect of fees generated in connection with the issue of the Notes any related profits and proceeds of any deposits and investments made from such fees or from amounts representing the Issuer’s issued and paid-up share capital, the Issuer does not expect to accumulate any surpluses.

The Notes are the obligations of the Issuer alone and not the Share Trustee. Furthermore, they are not the obligations of, or guaranteed in any way by the Arranger or any other party.

Restrictions on the Offer of the Notes

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on the Cayman Islands Stock Exchange.

Financial Statements

Since the date of incorporation, no financial statements of the Issuer have been prepared. The Issuer is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors. The Issuer has commenced operations. The Issuer is required to and will provide the Trustee of the Notes with written confirmation, on an annual basis, that no Event of Default, Potential Event of Default or Enforcement Event, Liquidation Event (each as defined in the Trust Deed) or any other breach of the Trust Deed has occurred.

Authorised and Issued Share Capital

The following table sets out the authorised and issued share capital of Takumi III Limited as at the date of the Base Prospectus:

<u>Shareholders' Funds</u>	<u>(US\$)</u>
Authorised:	50,000
Issued:	250

Directors of the Issuer

The directors of the Issuer are as follows:

Name	Principal Occupation
Darren Riley	Director, Summit Management Limited
Laura Medley	Assistant Manager Fiduciary Services, Summit Management Limited

The business address of each Director is:

Suite #4-210,
Governors Square,
23 Lime Tree Bay Avenue,
PO Box 32311,
Grand Cayman, KY1-1209,
Cayman Islands.

The Issuer’s Articles of Association provide that the board of directors of the Issuer will consist of at least one director.

The Administrator

Summit Management Limited acts as the administrator of the Issuer (in such capacity, the “**Administrator**”). The office of the Administrator serves as the general business office of the Issuer. Through the office, and pursuant to the terms of an Administration Agreement dated 21 July 2015 between the Issuer and the Administrator (the “**Administration Agreement**”), the Administrator performs in the Cayman Islands or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Issuer and the provision of certain clerical, administrative and other services until termination of the Administration Agreement. In consideration of the foregoing, the Administrator receives various fees payable by the Issuer at rates agreed upon from time to time, plus expenses. The terms of the Administration Agreement provide that either the Issuer or the Administrator may terminate such agreement by giving at least 14 days’ notice to the other party at any time within 12 months of the happening of any of certain stated events, including any breach by the other party of its obligations under such agreement. In addition, the Administration Agreement provides that either party shall be entitled to terminate such agreement by giving at least three months’ notice in writing to the other party with a copy to any applicable rating agency.

The Administrator will be subject to the overview of the Issuer’s Board of Directors. The Administration Agreement may be terminated (other than as stated above) by either the Issuer or the Administrator giving the other three months written notice.

The Administrator’s principal office is Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands.

THE SWAP AGREEMENTS

General

The Swap Counterparty (if any) may be SMBC Nikko Securities Inc., or SMBC Nikko Capital Markets Limited, as specified in the relevant Final Terms or Tranche Prospectus, if applicable.

In connection with the issue of the Notes, the Issuer has entered into (i) a 2002 ISDA Master Agreement, together with a schedule thereto, with SMBC Nikko Securities Inc. dated as of 8 December 2011 (the “**SMBCNS ISDA Master Agreement**”), and (ii) a 2002 ISDA Master Agreement, together with a schedule, with SMBC Nikko Capital Markets Limited dated as of 7 December 2012 (the “**SMBCNK ISDA Master Agreement**”). SMBC Nikko Securities Inc. and SMBC Nikko Capital Markets Limited shall together be referred to as the “**Swap Counterparties**” and individually as a “**Swap Counterparty**”. The SMBCNS ISDA Master Agreement and the SMBCNK ISDA Master Agreement shall together be referred to as the “**ISDA Master Agreements**” and individually as an “**ISDA Master Agreement**”.

In connection with the issue of a Series of Notes, the Issuer may enter into one or more transactions pursuant to one or more ISDA Master Agreement (each such transaction, a “**Swap Transaction**”, and, together with the confirmation(s) evidencing such transaction(s) and the relevant ISDA Master Agreement, the “**Swap Agreement**”). Any Swap Agreement will be governed by the laws of England.

Where SMBC Nikko Securities Inc. is the Swap Counterparty for a Series of Notes, the Swap Counterparty and the Issuer may enter into a credit support annex to the schedule to the SMBCNS ISDA Master Agreement in the form of the ISDA Credit Support Annex (Bilateral Form – Transfer) (each, a “**Credit Support Annex**”). Any such Credit Support Annex entered into between the Swap Counterparty and the Issuer will supplement, form part of, and be subject to, the relevant Swap Agreement. Any such Credit Support Annex shall be on the terms set out in the Master Credit Support Annex dated 8 December 2017 between the Swap Counterparty and the Issuer, as supplemented and amended by the relevant Final Terms or Tranche Prospectus, as applicable.

The SMBCNK ISDA Master Agreement between Takumi I Limited and SMBC Nikko Capital Markets Limited was amended pursuant to an EMIR ISDA Master Amendment Deed dated 26 September 2013 so as to reflect such parties’ agreement in respect of certain reconciliation and dispute resolution obligations imposed by Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (“**EMIR**”) in relation to Swap Transactions entered into between them. Such obligations are as set out in an annex (the “**EMIR Annex**”) to the SMBCNK ISDA Master Agreement and all references herein to the relevant ISDA Master Agreement in relation to the Issuer and SMBC Nikko Capital Markets Limited shall be construed as references to the SMBCNK ISDA Master Agreement as so supplemented and amended by the EMIR Annex.

The obligations of SMBC Nikko Capital Markets Limited under its ISDA Master Agreement are guaranteed by SMBC (the “**Swap Guarantor**”).

Except as provided in the Trust Deed, the terms of any Swap Agreement may not be amended without the consent of the Trustee and, in respect of any material change, the relevant Noteholders. The Trustee can agree, without the consent of the relevant Noteholders, to any modification which is, in its opinion, of a formal, minor or technical nature or to correct a manifest error.

Sumitomo Mitsui Banking Corporation

History and Development

Sumitomo Mitsui Banking Corporation (*Kabushiki Kaisha Mitsui Sumitomo Ginko*) is a joint stock corporation with limited liability (*Kabushiki Kaisha*) (“**SMBC**” or the “**Bank**”) under the laws of Japan. The registered head office of SMBC is located at 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan.

SMBC was formed in March 2003 through the merger of the former Sumitomo Mitsui Banking Corporation with Wakashio Bank, which was established in 1996 as a subsidiary of Sakura Bank. The former Sumitomo Mitsui Banking Corporation was formed in April 2001 through the merger of Sumitomo Bank and Sakura Bank, which was established through the merger of Taiyo Kobe Bank and Mitsui Bank in 1990. Mitsui and Sumitomo started their banking businesses in 1876 and 1895, respectively. The origins of both banking businesses can be traced back to the seventeenth century.

Business Overview

SMBC is the main banking subsidiary of Sumitomo Mitsui Financial Group, Inc. (“SMFG”) and is one of the world’s largest commercial banks, with ¥183 trillion in consolidated total assets as of 31 March 2018 and provides an extensive range of corporate and consumer banking services in Japan and wholesale banking services overseas. SMFG’s subsidiaries also include Sumitomo Mitsui Finance and Leasing Company, Limited, in the leasing business, SMBC Nikko Securities Inc. in the securities business, and Sumitomo Mitsui Card Company, Limited, Cedyna Financial Corporation and SMBC Consumer Finance Co., Ltd. in the consumer finance business, as well as The Japan Research Institute, Limited and Sumitomo Mitsui Asset Management Company, Limited.

SMBC Nikko Securities Inc.

History and Development

SMBC Nikko Securities Inc. is a wholly-owned subsidiary of SMFG and is one of the leading securities companies in Japan.

In May 2001, Nikko Shoken Bunkatsu Junbi Kabushiki Kaisha (“**Nikko Bunkatsu Junbi Kaisha**”, which was incorporated in March 2001) and The Nikko Securities Co., Ltd. (“**Nikko Securities**”, which was incorporated in April 1944 to acquire the business of Kawashimaya Securities Co., Ltd., a privately owned firm founded in July 1918) entered into a corporate division agreement by which Nikko Securities transferred substantially all of its rights and obligations relating to its securities business and other businesses to Nikko Bunkatsu Junbi Kaisha in October 2001 and the names of the Nikko Bunkatsu Junbi Kaisha and Nikko Securities were changed to Nikko Cordial Securities Inc. (“**Former Nikko Cordial Securities**”) and Nikko Cordial Corporation, respectively. In June 2009, Former Nikko Cordial Securities established SMBC Nikko Securities Inc. under the name of Nikko Cordial Securities De-merger Preparatory Company Ltd. In October 2009, all of the operations of Former Nikko Cordial Securities and certain businesses of Nikko Citigroup Limited were taken over by the firm. After succeeding such businesses, it was renamed as Nikko Cordial Securities Inc. to start as a new securities and investment banking firm with retail and wholesale business arms. In October 2009, all of its shares were acquired by SMBC, and as a result, it became a member of SMFG. It was renamed as SMBC Nikko Securities Inc. in April 2011.

In October 2016, SMFG acquired all the outstanding shares in SMBC Nikko Securities Inc. as a dividend in kind which SMBC, a wholly owned subsidiary of SMFG, distributed and, as a result, SMBC Nikko Securities Inc. became a wholly-owned direct subsidiary of SMFG.

On 1 January 2018, SMBC Nikko Securities Inc. and SMBC Friend Securities Co., Ltd., a wholly owned subsidiary of SMFG, merged, with the former being the continuing legal entity.

Business Overview

Major businesses of the SMBC Nikko Securities Inc. consist of a retail securities business and a wholesale securities business.

SMBC Nikko Capital Markets Limited

History and Development

SMBC Nikko Capital Markets Limited is registered in England and Wales and located in London, with an office in Sydney. SMBC holds a majority of voting rights in SMBC Nikko Capital Markets Limited with the remainder held by SMBC Nikko Securities, Inc. It was founded in 1989 under the name of SBCM Limited. It was listed as a money-market institution under Section 43 of the Financial Services Act 1986 and licensed to undertake wholesale markets derivatives business. In 1995 it was accepted as a regulated firm by the Securities and Futures Authority (“SFA”) allowing it to engage in dealing or advising in securities or derivatives including shares, bonds and traded futures and options. In December 2001, following the enactment of the FSMA, the regulatory functions of the SFA were taken over by the Financial Services Authority (“FSA”) that has authorised and regulated the firm as a full scope investment business from that date. In April 2013, the FSA was abolished and its regulatory functions were assumed by the Financial Conduct Authority.

Following the merger of its parent company, Sumitomo Bank with Sakura Bank to form SMBC in 2001, the firm was renamed SMBC Capital Markets Limited. Following SMBC’s acquisition of the former Nikko Cordial

Securities in 2009, the firm entered into a business collaboration agreement with the renamed SMBC Nikko Securities Inc. In 2010 the firm changed its name to SMBC Nikko Capital Markets Limited to reflect its new business direction.

Business Overview

SMBC Nikko Capital Markets Limited is an investment banking firm whose activities include providing, pricing and execution capabilities in a wide range of derivative activities, customer facilitation, debt and equity underwriting, broking and trading in secondary debt and equity securities and investment advice.

SECURITY ARRANGEMENTS FOR COLLATERAL HELD IN CLEARING SYSTEM

The Security may include a fixed charge over the Collateral which may be held by or through the Custodian through Euroclear and/or Clearstream, Luxembourg and/or an alternative clearing system (each a “**clearing system**”) in relation to any Collateral in the form of securities. The charge is intended to create a property interest in any such Collateral in favour of the Trustee for the benefit of the Secured Creditors to secure the relevant Secured Payment Obligations. However, where the Collateral is held through a clearing system, the interests which the Custodian holds and which are traded in the clearing system are not the physical Collateral itself but a series of contractual rights. These rights consist of (i) the Issuer’s rights against the Custodian, (ii) the Custodian’s rights as an accountholder against the clearing system, (iii) the rights of the clearing system against the common depository and (iv) the rights of the common depository against the issuer of the Collateral. As a result, where any Collateral is held in a clearing system, the Security will take the form of an assignment of the Issuer’s rights against the Custodian under the Custody Agreement rather than a charge over the Collateral itself.

TAXATION

CAYMAN ISLANDS TAXATION

Takumi I Limited, Takumi II Limited and Takumi III Limited

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

Cayman Islands Taxation

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under Existing Cayman Islands Laws:

Payments of interest and principal on the Notes and dividends and capital in respect of the Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of the Notes or Shares, as the case may be, nor will gains derived from the disposal of the Notes or Shares be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands.

No stamp duty is payable in respect of the issue of the Notes and the Certificates. An instrument of transfer in respect of a Note or a Certificate is stampable if executed in or brought into the Cayman Islands.

No stamp duty is payable in respect of the issue of the Shares or on an instrument of transfer in respect of a Share.

Each of the Relevant Issuers has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has applied for and obtained on 22 November 2011 an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law
1999 Revision
Undertaking as to Tax Concessions

In accordance with the provision of section 6 of The Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with [Takumi I Limited][Takumi II Limited][Takumi III Limited] (the "**Company**").

- 1 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- 2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - 2.1 On or in respect of the shares, debentures or other obligations of the Company;

OR

- 2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).
- 3 These concessions shall be for a period of twenty years from the date hereof.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 7 December 2018 (as amended and/or restated from time to time, the “**Dealer Agreement**”) between the Issuer, the Dealer and the Arranger. The Notes will be offered on a continuous basis by the Issuer to such Dealer. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer has agreed to pay the commissions as agreed between it and the Dealer(s) in respect of each issue of Notes. Such commissions (if any) will be stated in the relevant Final Terms or Tranche Prospectus, if applicable.

The Issuer has agreed to indemnify the Dealer(s) against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealer(s) to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Relevant Issuer.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Issuing and Paying Agent, or in the case of Notes issued on a syndicated basis, the lead manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus and the Conditions in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (i) the expression “retail investor” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (b) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- (c) not a qualified investor as defined in the Prospectus Directive; and
- (ii) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) 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 (b) 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;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Ireland

Each Dealer has represented and agreed that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of:

- (a) the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), and any codes of conduct or rules issued in connection therewith and any conditions, requirements or other enactments imposed or approved by the Central Bank, and the provisions of the Irish Investor Compensation Act 1998;
- (b) the Irish Central Bank Acts 1942 – 2015, any codes of practice made under section 117(1) of the Irish Central Bank Act 1989 and any notices issued by the Central Bank;
- (c) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank; and
- (d) the Market Abuse (Directive 2003/6/EC) Regulations 2016 and any rules issued under section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank.

Cayman Islands

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for Notes by or on behalf of the Issuer unless at the time of invitation such Issuer is listed on the Cayman Islands Stock Exchange.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “FIEA”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering

or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan.

Hong Kong

Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or

(iv) as specified in Section 276(7) of the SFA.

General

These selling restrictions may be modified by the agreement of the Relevant Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material(s) or any Final Terms or Tranche Prospectus, if applicable, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it 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 Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms or Tranche Prospectus, if applicable, and neither the Issuer nor any other Dealer shall have responsibility therefor.

FORM OF FINAL TERMS

Final Terms dated { • }

{TAKUMI I LIMITED}{TAKUMI II LIMITED}{TAKUMI III LIMITED}
Issue of {AGGREGATE NOMINAL AMOUNT OF TRANCHE} {TITLE OF NOTES}
under its
Multi-Issuer Limited Recourse Secured Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Master Conditions set forth in the Base Prospectus dated 7 December 2018 [which constitutes a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU (to the extent implemented in the Relevant Member State), the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus.]¹ Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing [at {INSERT WEBSITE}] and during normal business hours at {INSERT ADDRESS} [and copies may be obtained from {INSERT ADDRESS}].

The Notes issued by the Issuer will be subject to the Master Conditions and also to the following terms (the “**Final Terms**”) in relation to the Notes. All provisions in the Conditions corresponding to items in these Final Terms which are indicated as not applicable, not completed or deleted shall be deemed to be deleted from the Conditions.

[MiFID II product governance – Solely for the purposes of the product approval process, of any Dealer, who is subject to MiFID II (as defined below) the target market assessment in respect of the [Notes] has led to the conclusion that: (i) the target market for the [Notes] is eligible counterparties, professional clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) eligible for distribution through all distribution channels as are permitted by MiFID II, subject to compliance with applicable securities laws and regulations. Any person subsequently offering, selling or recommending the [Notes] (a “**Distributor**”) should take into consideration the target market assessment. Notwithstanding the target market assessment, Distributors should note that: investors could lose all or part of their investment; the [Notes] offer no guaranteed income and no capital protection; and an investment in the [Notes] is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The target market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the [Notes/offer].

For the avoidance of doubt, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [product] (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. Further, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to [the Notes].

The Issuer is not subject to MiFID II and any implementation thereof by an EU Member State. The Issuer is therefore not a “manufacturer” for the purposes of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 and has no responsibility or liability for identifying a target market, or any other product governance obligation set out in MiFID II, for financial instruments it issues (including the foregoing target market assessment for the [Notes] described in this legend.)

¹ The text referring to the Prospectus Directive only relates to the Notes in respect of which a prospectus is required to be prepared under the Prospectus Directive and should otherwise be disregarded.

[*Note – the following wording shall be included (as applicable)*][Amounts payable under the Notes may be calculated by reference to [*specify benchmark*], which is provided by [*specify administrator’s legal name*]. As at the date of these Final Terms, [*specify administrator’s legal name*] [*appears*][*does not appear*] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “BMR”).]

[OR]

[As far as the Issuer is aware, [*specify benchmark*] does not fall within the scope of the BMR by virtue of Article 2 of that regulation,] / [the transitional provisions in Article 51 of the BMR apply,] such that [*specify administrator’s legal name*] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

(Italics and footnotes herein denote guidance for completing the Final Terms and should be deleted prior to completing these Final Terms.)

(When completing these Final Terms, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[(These Final Terms may only be used in circumstances where the relevant Collateral Obligor is admitted to trading on a regulated market.)]

(Note: Headings are for ease of reference only.)

- | | | |
|---|---|--|
| 1 | Issuer: | {●} |
| 2 | [(i)] Series Number: | {●} |
| | [(ii)] Tranche Number: | {●} |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]</i> |
| 3 | [(i)] Specified Currency or Currencies: | {●} |
| | [(ii)] Relevant Currency: | {●} <i>{specify if other than the Specified Currency}</i> |
| 4 | Aggregate Nominal Amount of Notes: | |
| | [(i)] Series: | {●} |
| | [(ii)] Tranche: | {●} |
| 5 | Issue Price: | {●} per cent. of the Aggregate Nominal Amount |
| 6 | (i) Specified Denominations: | {●} <i>(Note that these Final Terms do not provide for Notes issued with a denomination consisting of a minimum Specified Denomination plus a higher integral multiple of another smaller amount)</i> |
| | (ii) Calculation Amount | {●} <i>(Where the denomination is not expressed to be a minimum denomination and multiples of a Calculation Amount, the Calculation Amount specified should be the same as the denomination. Where the denomination is expressed to be a minimum denomination and multiples of a Calculation Amount, the Calculation Amount specified should be the minimum increment)</i> |

that is capable of being held in the relevant clearing system(s).)

- 7 (i) Issue Date: {●}
- (ii) Interest Commencement Date: [Issue Date][{specify}][Not Applicable]
- 8 Maturity Date: {specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year}
- 9 Interest Basis: [{●} per cent. Fixed Rate] [[LIBOR][EURIBOR] +/- {●} per cent. Floating Rate] (see paragraphs 13 and 14 below)
- 10 Redemption/Payment Basis: Redemption at par
- 11 [(i)] Status of the Notes: Senior
- [(ii)] [Date [Board] approval for issuance of Notes obtained: {●} [and {●}, respectively]]
- 12 Method of distribution: [Syndicated][Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 13 Fixed Rate Note Provisions: [Applicable][Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate(s) of Interest: {●} per cent. per annum payable [annually][semi-annually][quarterly][monthly][in arrear]
- (ii) Interest Payment Date(s): {●} in each year [adjusted in accordance with the Business Day Convention specified below/not adjusted]
- (iii) Business Day Convention: [Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Not Applicable]
- (iv) Business Centre(s): {●} [Not Applicable]
- (v) Fixed Coupon Amount(s): {●} per Calculation Amount
- (vi) Broken Amount(s): {●} per Calculation Amount payable on the Interest Payment Date falling [in][on] {●}
- (vii) Day Count Fraction: [30/360][Actual/Actual ([ICMA][ISDA])]
- (viii) Determination Dates: [{●} in each year (*insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA)*)] [Not Applicable]
- 14 Floating Rate Note Provisions: [Applicable][Not Applicable]
- (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

- | | |
|---|---|
| (i) Specified Interest Payment Dates: | {●} subject to adjustment in accordance with the Business Day Convention specified below. |
| (ii) Interest Period Date(s)/Interest Period: | [{●}][Not Applicable] (<i>Not applicable unless different from Interest Payment Dates</i>) |
| (iii) Business Day Convention: | [Floating Rate Business Day Convention][Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention] |
| (iv) Business Centre(s): | [{●}][Not Applicable] |
| (v) Manner in which the Rate(s) of Interest is/are to be determined: | [ISDA Determination][Screen Rate Determination] |
| (vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): | [Calculation Agent][Determination Agent] |
| (vii) ISDA Determination: | [Applicable][Not Applicable] |
| – Floating Rate Option: | {●} |
| – Designated Maturity: | {●} |
| – Reset Date: | {●} |
| (viii) Screen Rate Determination: | [Applicable][Not Applicable] |
| – Reference Rate: | [LIBOR][EURIBOR] |
| – Interest Determination Date(s): | {●} |
| – Relevant Screen Page: | {●} |
| (ix) Margin(s): | [+][-]{●} per cent. per annum |
| (x) Minimum Rate of Interest: | [{●} per cent. per annum][Not Applicable] |
| (xi) Maximum Rate of Interest: | [{●} per cent. per annum][Not Applicable] |
| (xii) Day Count Fraction: | [Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA] |

PROVISIONS RELATING TO COLLATERAL

15 Mortgaged Property:

- | | |
|------------------------------|--|
| (i) Collateral – Securities: | The “ Securities ” shall comprise {●} in principal amount of an issue of <i>{insert name of the obligor of the underlying assets}</i> of <i>{insert description of the underlying assets}</i> identified below: |
|------------------------------|--|

Collateral Obligor:	[INSERT NAME OF COLLATERAL OBLIGOR FROM ANNEX], as set out in the Annex to the Base Prospectus
Address:	As set out in the Annex to the Base Prospectus
Country of Incorporation:	As set out in the Annex to the Base Prospectus
Business Activities:	As set out in the Annex to the Base Prospectus
Listed on the following stock exchanges:	As set out in the Annex to the Base Prospectus
Asset:	
ISIN:	{●}
Bloomberg Ticker:	{●}
Coupon:	{●}
Maturity:	{●}
Currency:	{●}
Governing Law:	{●}
(ii) Swap Agreement (if applicable):	[Applicable][Not Applicable]
(iii) Swap Counterparty:	[SMBC Nikko Securities Inc.] [SMBC Nikko Capital Markets Limited] [Not Applicable]
(iv) EMIR Annex:	[Applicable][Not Applicable]
(v) Credit Support Annex:	[Applicable (one-way)][Applicable (two-way)] [Not Applicable]
(vi) Swap Guarantee:	[Applicable][Not Applicable]
(vii) Swap Guarantor:	[Sumitomo Mitsui Banking Corporation] [Not Applicable]
(viii) Substitution of Mortgaged Property	[Applicable][Not Applicable]
(ix) Other Security Document:	[Not Applicable][<i>(Give details – only applicable to a Series of Notes that will not be listed or admitted to trading on a regulated market)</i>]

PROVISIONS RELATING TO REDEMPTION

16 Call Option	[Applicable][Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Optional Redemption Date(s):	{●}

(ii)	If redeemable in part:	[Applicable][Not Applicable]
(a)	Minimum Redemption Amount:	{●} per Calculation Amount
(b)	Maximum Redemption Amount:	{●} per Calculation Amount
(iii)	Notice period:	{●}
17	Put Option	[Applicable][Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i)	Optional Redemption Date(s):	{●}
(ii)	Notice period:	{●}
18	Early Redemption Amount:	<i>{describe detail}</i>
(i)	Public Source:	[As per Master Conditions][{●}]
(ii)	Specified Number:	[As per Master Conditions][{●}]
(iii)	Party responsible for calculating the Early Redemption Amount:	[Calculation Agent][Determination Agent][{●}]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19	Form of Notes:	<p>[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]</p> <p>[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]</p> <p>[Registered Notes: [Regulation S Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg]</p>
20	Financial Centre(s) relating to payment dates:	[Not Applicable][<i>{give details}</i>] (Note that this paragraph relates to the date and place of payment)
21	Other Transaction Documents:	[Swap Guarantee][Not Applicable]
22	Other Transaction Parties:	[Swap Guarantor][Not Applicable]

- 23 Agents:
- (i) Calculation Agent: The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom
 - (ii) Determination Agent: [SMBC Nikko Securities Inc.
3-1, Marunouchi 3-chome
Chiyoda-ku
Tokyo 100-8325
Japan]
[SMBC Nikko Capital Markets Limited
One New Change
London EC4M 9AF
United Kingdom]
 - (iii) Custodian: The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom
 - (iv) Issuing and Paying Agent: The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom
 - (v) Registrar: [The Bank of New York Mellon SA/NV, Luxembourg
Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg][Not Applicable]
 - (vi) Transfer Agent(s): [The Bank of New York Mellon SA/NV, Luxembourg
Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg][Not Applicable]
 - (vii) Disposal Agent: [SMBC Nikko Capital Markets Limited
One New Change
London EC4M 9AF
United Kingdom]
[SMBC Nikko Securities Inc.,
3-1, Marunouchi 3-chome
Chiyoda-ku
Tokyo 100-8325
Japan]

DISTRIBUTION

- 24 (i) If syndicated, names of Managers: [Not Applicable][*specify name(s)*]
- (ii) Stabilising Manager(s) (if any): [Not Applicable][*specify name(s)*]
- 25 If non-syndicated, name of Dealer: [Not Applicable][*specify name*]
- 26 U.S. Selling Restrictions: Reg. S Compliance Category 2; [TEFRA C] [TEFRA D][TEFRA not applicable]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [*Insert relevant third party information*] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of {NAME OF ISSUER}:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing and admission to trading: [Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market.][Application has been made to the {●} for the Notes to be admitted to the official list and trading on its regulated market.][Not Applicable]
- (Where documenting a fungible issue, need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: {●} (Only include where the Notes are being listed.)

2. RATINGS

- Ratings: [The Notes to be issued have not been rated.][The Notes to be issued have been rated:
- [Moody's: {●}]
- [R&I: {●}]
- (The above disclosure should reflect the initial rating allocated to Notes when specifically rated.)
- [Moody's is not established in the EU, not registered under the CRA Regulation and not certified under such regulation. However, the rating by Moody's SF Japan given to the Notes will be endorsed by Moody's Investors Service Ltd. (a credit rating agency established in the EU and registered under the CRA Regulation) in accordance with Art. 4 paragraph 3 of the CRA Regulation.]
- [R&I is not established in the EU and registered or certified under the CRA Regulation and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.]

3. OPERATIONAL INFORMATION

- ISIN Code: {●}
- Common Code: {●}
- Legal Entity Identifier: [635400VR5XPRWYUNNS4¹/
635400UTSHF1GIAYHY96²/
635400OXPQOB1H1QCO96³]
- Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable][{specify name(s) and number(s) [and address(es)]]

1 When Takumi I Limited is the issuer.

2 When Takumi II Limited is the issuer.

3 When Takumi III Limited is the issuer.

Delivery: Delivery [against][free of] payment

Names and addresses of initial Paying Agent(s): The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

{Include a description of any interest, including any conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

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

(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

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

[(i) Reasons for the offer {•}]

(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here.)]

[(ii) Estimated net proceeds: {•}]

[(iii) Estimated total expenses: {•}]

6. [FIXED RATE NOTES ONLY – YIELD

Indication of yield: {•}]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

GENERAL INFORMATION

- (i) Each Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment and update of the Programme. The establishment of the Programme was authorised by a board resolution of Takumi I Limited passed on 30 November 2011, a board resolution of Takumi II Limited passed on 30 November 2011 and a board resolution of Takumi III Limited passed on 30 November 2011. The update of the Programme was authorised by a board resolution of Takumi I Limited passed on 5 December 2018, a board resolution of Takumi II Limited passed on 5 December 2018 and a board resolution of Takumi III Limited passed on 5 December 2018.
- (ii) As at the date of this Base Prospectus, there has been no material adverse change in the financial position or prospects of any Issuer since its date of incorporation.
- (iii) None of the Issuers is nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which such Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on its financial position or profitability.
- (iv) Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (v) The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms or Tranche Prospectus, if applicable.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the relevant Final Terms or Tranche Prospectus, if applicable.

- (vi) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms or Tranche Prospectus, if applicable, of each Tranche, based on then prevailing market conditions. The Issuer of the relevant Notes does not intend to provide any post-issuance information in relation to any Series or the Collateral relating to any Series.
- (vii) For so long as Notes may be issued pursuant to the Programme (in respect of (a), (b), (d) and (e) below) and for so long as any listed Notes remain outstanding, from the date of the relevant document (in respect of (c) and (f) below), the following documents will be available in printed form free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of each Issuer and at the specified office of The Bank of New York Mellon:
 - (a) the Principal Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
 - (b) the Agency Agreement;
 - (c) the Memorandum and Articles of Association of the Issuer;
 - (d) the Declaration of Trust;
 - (e) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further prospectus;
 - (f) each relevant Final Terms or Tranche Prospectus, if applicable, (save that the Final Terms or Tranche Prospectus, if applicable, relating to a Note which is neither admitted to trading on a regulated market within the EEA nor offered in the EEA in circumstances where a prospectus is

required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity) and each subscription agreement (if any) and the related Supplemental Trust Deed, Swap Agreement and Custody Agreement for Notes which are listed on the Official List and admitted to trading on the Main Securities Market.

- (viii) The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as listing agent for the Relevant Issuer (and not on its own behalf) in connection with the application for admission of the Notes to the Official List of Euronext Dublin and trading on the Main Securities Market.

ANNEX

Collateral Annex

Name of the Collateral Obligor	Registered Address	Country of Incorporation	General Description of the Collateral Obligor	Method of creation of the Collateral issued by the Collateral Obligor
United Kingdom	UK Debt Management Office Eastcheap Court 11 Philpot Lane London EC3M 8UD United Kingdom	United Kingdom	<p>The Collateral Obligor is a sovereign country located off the north-western coast of continental Europe. The country includes the island of Great Britain, the north-eastern part of the island of Ireland, and many smaller islands. Northern Ireland is the only part of the UK that shares a land border with another sovereign state – the Republic of Ireland. Apart from this land border the UK is surrounded by the Atlantic Ocean, the North Sea, the English Channel and the Irish Sea.</p> <p>The Collateral Obligor has financial instruments listed on the regulated market of the London Stock Exchange. Further information on the Collateral Obligor can be found on its website: http://www.dmo.gov.uk</p>	Issued pursuant to the provisions of section 12 of the National Loans Act 1968.

Registered Office of the Issuers

Suite #4-210
Governors Square
23 Lime Tree Bay Avenue
PO Box 32311
Grand Cayman KY1-1209
Cayman Islands

ARRANGER

SMBC Nikko Capital Markets Limited

One New Change
London EC4M 9AF
United Kingdom

TRUSTEE

**BNY Mellon Corporate
Trustee Services Limited**

One Canada Square
London E14 5AL
United Kingdom

**ISSUING AND PAYING AGENT AND
CALCULATION AGENT**

**The Bank of New York Mellon,
London Branch**

One Canada Square
London E14 5AL
United Kingdom

**REGISTRAR, PAYING AGENT AND
TRANSFER AGENT**

**The Bank of New York Mellon SA/NV,
Luxembourg Branch**
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

CUSTODIAN

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

LISTING AGENT

The Bank of New York Mellon SA/NV, Dublin Branch
Riverside II, Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

LEGAL ADVISERS

*to the Arranger
in respect of English law*
Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

*to the Issuers
in respect of Cayman Islands Law*
Maples and Calder
PO Box 309, Umland House
Grand Cayman
KY1-1104
Cayman Islands

