ORYZA 1 CLO LIMITED

(a limited liability company incorporated in the Cayman Islands with registered number 269308)

USD 105,000,000 Credit-Linked Floating Rate Notes

Oryza 1 CLO Limited (the "**Issuer**") will issue the USD 105,000,000 Credit-Linked Floating Rate Notes (the "**Notes**") on the terms and conditions set forth in a note trust deed to be dated the Closing Date between the Issuer and BNY Mellon Corporate Trustee Services Limited (the "**Note Trust Deed**").

The Notes will be issued by the Issuer on a limited recourse basis. The Notes will not be rated by any rating agency.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws. The Notes may not be offered, sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) ("**U.S. Persons**") except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. There is no undertaking to register the Notes under any state or federal securities laws. The Notes cannot be resold unless they are subsequently registered or an exemption from registration is available. See "*Subscription and Sale*" and "*Purchase and Transfer Restrictions*".

Standard Chartered

as Arranger and Lead Manager

The date of this Prospectus is 21 June 2012

Capitalised terms used in this Prospectus are defined herein. Defined terms and the page references where such terms are defined in this Prospectus are set out in the Index of Defined Terms.

Prior to the Notes Termination Date, interest will accrue on the Notes on a daily basis at the Rate of Interest (as defined below) on the Adjusted Outstanding Principal Balance of the Notes from and including the Closing Date, payable quarterly in arrear on each Payment Date, subject as provided in the Conditions.

If and for so long as the Adjusted Outstanding Principal Balance of a Note is USD 1 or less, interest shall not accrue on such Note.

The Rate of Interest applicable prior to the Notes Termination Date in respect of the Notes will be determined by reference to the USD London Interbank Offered Rate ("**USD LIBOR**") for deposits in U.S. Dollars for a period equal to the Designated Maturity *plus* 14 per cent. per annum. The Issue Price of the Notes is 100 per cent.

The Rate of Interest for the Notes on and after the Notes Termination Date shall be USD LIBOR *plus* 2 per cent. per annum. USD LIBOR will be determined by the Agent Bank for each Interest Period pursuant to the Conditions.

The date on which payment in full of principal on the Notes is scheduled to commence is the Scheduled Maturity Date, being 28 December 2015 (or, if such day is not a Business Day, the following Business Day) save that the repayment of principal on the Notes on the Scheduled Maturity Date may be deferred to the extent of the Issuer's potential liability for unsettled claims or potential claims pursuant to the terms of the Credit Default Swap.

To the extent not previously paid or reduced to zero, the Notes will be redeemed in full on the Final Maturity Date, being 28 December 2016 (or, if such day is not a Business Day, on the following Business Day).

However, payment of principal on the Notes may commence prior to the Scheduled Maturity Date as a result of (a) the determination of an Amortised Amount under the Credit Default Swap, (b) the occurrence of an Early Redemption Date (including a Tax Redemption Date or a Swap Optional Termination Date), or (c) the occurrence of an Enforcement Date.

Concurrently with the issuance of the Notes, the Issuer will enter into the Credit Default Swap with Standard Chartered Bank (the "**Swap Counterparty**" or "**SCB**") pursuant to which the Issuer will sell credit protection to the Swap Counterparty in respect of a portfolio, designated by the Swap Counterparty, of corporate debt. See "*Description of the Credit Default Swap*" and "*Reference Registry*" below.

Upon the occurrence of each Event Determination Date under the Credit Default Swap and/or any Payment Date upon which the Issuer is obliged to pay an Additional Loss Payment to the Swap Counterparty, subject to the terms of the Conditions and taking into account, among other things, the Threshold Amount, the Outstanding Principal Balance of the Notes will be reduced on such Event Determination Date or Payment Date, as applicable, without any commensurate payment to Noteholders, by the amount of the relevant Defaulted Notional Amount or Additional Loss Payment, as applicable, on a *pro rata* and *pari passu* basis until the Outstanding Principal Balance of each Note is reduced to USD 1 (one U.S. Dollar) or, on the Final Payment Date, zero. The Adjusted Outstanding Principal Balance of the Notes will be adjusted automatically and interest shall not accrue on any Note if and for so long as the Adjusted Outstanding Principal Balance of such Note is USD 1 or less. Reductions to the Outstanding Principal Balance of the Notes may, in certain circumstances, be subsequently reinstated with interest. To the extent not previously paid or reduced, the aggregate Outstanding Principal Balance of, and accrued and unpaid interest on, the Notes will be due and payable on the Final Maturity Date.

An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

See the section titled "*Risk Factors*" in this Prospectus for a description of certain factors that should be considered by prospective investors in connection with an investment in the Notes.

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange (the "**Irish Stock Exchange**") or other regulated markets for the purposes of the Markets in Financial Instruments Directive 2004/39/EC ("**MiFID**") or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that any such listing will be obtained, or if obtained, will be maintained.

References in this Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the regulated market of the Irish Stock Exchange and have been admitted to the official list of the Irish Stock Exchange (the "**Official List**"). The regulated market of the Irish Stock Exchange is a regulated market for the purposes of MiFID. This Prospectus constitutes a "prospectus" for the purposes of Article 5 of the Prospectus Directive in relation to the Issuer.

References in this Prospectus to "**China**" mean the People's Republic of China and do not include the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), the Macau Special Administrative Region of the People's Republic of China or Taiwan.

THE NOTES WILL BE SECURED, LIMITED RECOURSE OBLIGATIONS OF THE ISSUER. NOTWITHSTANDING ANY PROVISIONS OF THE SECURITY DOCUMENTS OR OF ANY TRANSACTION DOCUMENT, ALL PAYMENTS OF PRINCIPAL AND INTEREST TO BE MADE BY THE ISSUER UNDER THE NOTES AND ALL PAYMENTS TO BE MADE BY THE ISSUER TO THE SECURED PARTIES UNDER THE TRANSACTION DOCUMENTS WILL BE PAYABLE ONLY FROM THE SUMS PAID TO, OR NET PROCEEDS RECOVERED BY OR ON BEHALF OF, THE ISSUER OR THE SECURITY TRUSTEE IN RESPECT OF THE CHARGED ASSETS AND IN ACCORDANCE WITH THE PRIORITY OF APPLICATION SPECIFIED IN CLAUSE 9 (PRIORITY OF APPLICATION) OF THE SECURITY TRUST DEED. THERE WILL BE NO OTHER ASSETS OF THE ISSUER AVAILABLE FOR ANY FURTHER PAYMENTS BY THE ISSUER. THE SECURITY TRUSTEE AND EACH OTHER SECURED PARTY WILL LOOK SOLELY TO SUCH SUMS, PROCEEDS AND THE RIGHTS OF THE ISSUER IN RESPECT OF THE CHARGED ASSETS IN ACCORDANCE WITH THE TERMS OF THE SECURITY DOCUMENTS FOR PAYMENTS TO BE MADE BY THE ISSUER. HAVING ENFORCED THE SECURITY AND DISTRIBUTED THE NET PROCEEDS THEREOF IN ACCORDANCE WITH THE TERMS OF THE SECURITY TRUST DEED, NONE OF THE SECURITY TRUSTEE OR ANY OTHER SECURED PARTY MAY TAKE ANY FURTHER STEPS AGAINST THE ISSUER TO RECOVER ANY UNPAID SUM OR UNDISCHARGED PAYMENT OBLIGATION AND THE ISSUER'S LIABILITY FOR ANY SUCH SUM SHALL BE EXTINGUISHED.

Notes sold to non-U.S. persons in reliance on Regulation S ("**Regulation S Notes**") will be represented by a permanent Global Note Certificate, in fully registered form, without interest coupons attached (the "**Regulation S Global Note Certificate**"), which will be deposited with a common depositary (the "**Common Depositary**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**"). Beneficial interests in the Regulation S Global Note Certificate may be held only through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg or their Participants (as applicable) at any time. See "*Form of Notes*" and "*Book Entry Clearance Procedures*".

Except in the limited circumstances described herein, Notes in individual, certificated, fully registered form ("**Individual Note Certificates**") will not be issued in exchange for beneficial interests in any Regulation S Global Note Certificate. See "*Form of Notes – Exchange for Individual Note Certificates*".

The Notes will not represent an interest in, or obligations of, and are not insured or guaranteed by, any governmental agency, the Account Bank, the Administrator, the Agents, SCB in its capacity as the arranger (the "**Arranger**") and as the lead manager (the "**Lead Manager**"), the Noteholders, the Note Trustee, the Security Trustee, the Swap Counterparty or any of their respective affiliates or any other entity other than the Issuer.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

The Issuer accepts responsibility for the information contained in this Prospectus. In relation to the information in the sections in this Prospectus headed "*Reference Registry*", "*Eligibility Criteria*", "*Replenishment Conditions*", "*Description of the Initial Reference Portfolio*", "*SCB's Credit and Collection Policy*", "*Servicing Principles*", "*Collateral Allocation Principles*" and "*Standard Chartered Bank*" and the information incorporated by reference in the section headed "*Documents Incorporated by Reference*" (together, the "**SCB Information**"), SCB also accepts responsibility.

To the best of the knowledge and belief of the Issuer, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. To the best of the knowledge and belief of SCB, the SCB Information is in accordance with the facts and does not omit anything likely to affect the import of such information. SCB accepts no responsibility with regard to the contents of this Prospectus other than the SCB Information.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by either the Note Trustee or the Security Trustee as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Notes.

No dealer, salesman or other person has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such other information or representations must not be relied upon as having been authorised by the Issuer or the Lead Manager. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities offered hereby by anyone in any jurisdiction in which such offer or solicitation is not authorised or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. Neither the delivery of this Prospectus at any time, nor any sale made in connection herewith, shall, in any circumstances, create an implication that there has been no change in the affairs of the Issuer since the date hereof or that the information contained herein is correct as of any time subsequent to such date.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such offer or a solicitation by anyone not authorised so to act. In particular, the Notes have not been and will not be registered under the Securities Act.

In connection with the issue of the Notes, SCB (the "**Stabilisation Manager**") (or persons acting on its behalf) may over-allot Notes (*provided* that the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the 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 Stabilisation Manager (or persons acting on its behalf) 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 Notes is made and, if begun, may end at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment shall be conducted by the Stabilisation Manager (or persons acting on its behalf) in accordance with all applicable laws and rules.

This Prospectus contains summaries believed to be accurate with respect to certain terms of certain documents and such summaries are qualified in their entirety by reference to such documents. The contents of this Prospectus are not to be construed as legal, business or tax advice.

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

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

ARTICLE 122A OF THE CAPITAL REQUIREMENTS DIRECTIVE

Prospective investors should note that neither SCB nor any other entity has committed to retain a material net economic interest in the transaction in accordance with Article 122a of Directive 2006/48/EC (as amended) ("**Article 122a**") or any other similar requirements which may apply at any time in respect of any EU regulated investor. As a result, in general, a credit institution regulated in any Member State of the European Economic Area (the "**EEA**") (and any other entity required to comply with Article 122a or any similar requirements and/or any corresponding national implementing measures) seeking to invest in the Notes (on issue or after) will be unable to satisfy the requirements of Article 122a in respect of such investment. Failure to comply with one or more of the requirements set out in Article 122a may result in the imposition of a penal capital charge on any Notes acquired by a relevant investor.

If at a later date SCB commits to retain a material net economic interest in the transaction in accordance with Article 122a or any other similar requirements which may apply at such time in respect of any EU regulated investor, a notice shall be made to the Noteholders setting out, without limitation, the manner in which the material net economic interest is retained and such other information as SCB considers relevant. In such case, each investor will be required to independently assess and determine whether Article 122a and any corresponding local implementing rules which may be relevant have been complied with and none of the Issuer or SCB makes any representation that such information described above or in this Prospectus is sufficient in all circumstances for such purposes. Prospective investors are referred to the "*Risk Factors*" section of this Prospectus for further information on Article 122a and certain related considerations.

NOTICE TO THE PUBLIC OF THE CAYMAN ISLANDS

No invitation to any member of the public in the Cayman Islands, within the meaning of Section 175 of the Companies Law (2011 Revision) of the Cayman Islands, may be made to subscribe for the Notes and this Prospectus may not be issued or passed to any such person.

REFERENCE TO WEBSITES

Unless the contents of any website address referred to in this Prospectus have been incorporated into this Prospectus by reference, such website does not form part of this Prospectus for the purposes of the approval of this Prospectus and the listing of the Notes.

NOTICE TO U.S. INVESTORS

Each purchaser of any of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Prospectus under "*Purchase and Transfer Restrictions*". The Notes have not been nor will be registered under the Securities Act, and such securities are subject to certain restrictions on transfer.

AVAILABLE INFORMATION

By requesting copies of the documents referred to herein or by making any other requests for additional information relating to the issue of the Notes or to the Issuer, each potential investor agrees to keep confidential the various documents and all written information which from time to time has been or will be disclosed to it, to the extent that such documents or information are not otherwise publicly available, and agrees not to disclose any portion of such information to any person except to its professional advisers or in connection with the proposed resale of the Notes or as required by law.

ENFORCEABILITY OF JUDGMENTS

The Issuer is an exempted company with limited liability incorporated under the laws of the Cayman Islands. All of the officers and directors are residents of the Cayman Islands. As a result, it may not be possible to effect service of process within the United States upon the Issuer or such persons to enforce against them judgments of courts of the United States, including judgments predicated upon the civil liability provisions of the Federal or State securities laws of the United States. There is doubt as to the enforceability of judgments in the Cayman Islands, in original action or in actions for enforcements of judgments of U.S. courts, of civil liabilities predicated solely upon such securities laws.

FORWARD-LOOKING STATEMENTS

This Prospectus contains statements which constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical facts included in this Prospectus, are forward-looking statements and reflect significant assumptions and subjective judgments by the Issuer that may or may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans", or similar terms. Prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Lead Manager has not attempted to verify any such statements, nor does it make any representations, express or implied, with respect thereto.

To ensure compliance with U.S. Treasury Department Circular 230, holders are hereby notified that: (a) any discussion of federal tax issues in this prospectus is not intended or written to be relied upon, and cannot be relied upon, by holders for the purpose of avoiding penalities that may be imposed on holders under the U.S. Internal Revenue Code of 1986 ("**Code**"); (b) such discussion is included herein by the Issuer in connection with the promotion or marketing (within the meaning of Circular 230) by the Issuer of the transactions or matters addressed herein; and (c) holders should seek advice based on their particular circumstances from an independent tax adviser.

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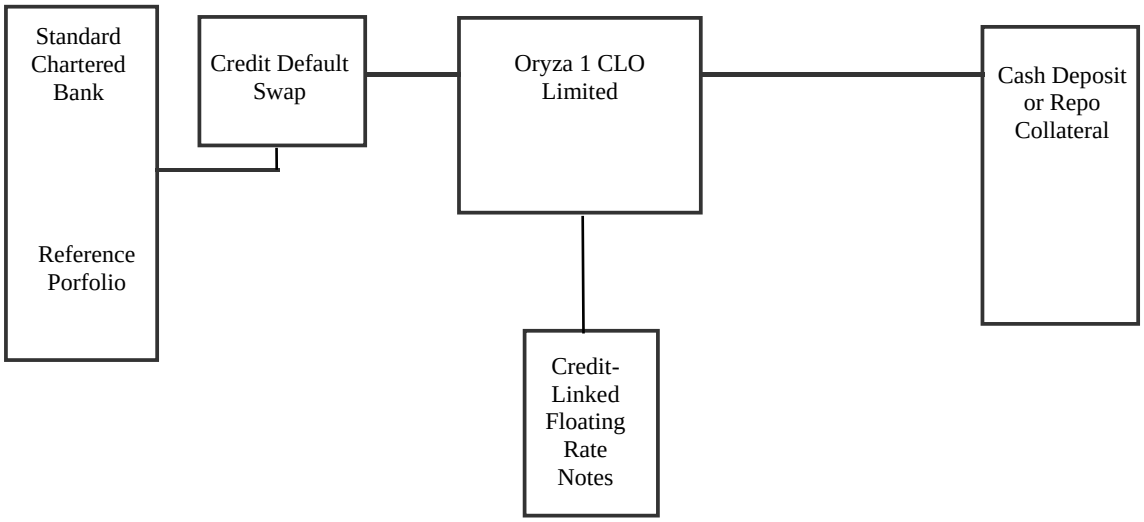
TRANSACTION DIAGRAM



SUMMARY OF TERMS

The following summary of terms does not purport to be complete and is taken from, and qualified in its entirety by, the more detailed information contained elsewhere in this Prospectus and certain of the documents referred to below, and, without limitation, the Conditions. Words or expressions used but not expressly defined in this summary of terms shall have the meanings given to them elsewhere in this Prospectus, including the Conditions. An index of defined terms is set out at the back of this Prospectus.

Transaction Overview

Concurrently with the issuance of the Notes the Issuer will, on the Closing Date, enter into the Credit Default Swap with the Swap Counterparty pursuant to which the Issuer will sell credit protection to the Swap Counterparty in respect of a portfolio, designated by the Swap Counterparty, of Reference Entities and related Reference Obligations. In return for periodic payments of Swap Premium, the Issuer will be liable to make, amongst other things, payments of Cash Settlement Amounts to the Swap Counterparty upon the occurrence of a Credit Event in relation to any of the Reference Entities and the fulfilment of certain other conditions.

Upon the occurrence of each Event Determination Date under the Credit Default Swap and/or any Payment Date upon which the Issuer is obliged to pay an Additional Loss Payment to the Swap Counterparty, subject to the terms of the Conditions and taking into account, among other things, the Threshold Amount, the Outstanding Principal Balance of the Notes will be reduced on such Event Determination Date or Payment Date, as applicable, without any commensurate payment to Noteholders, by the amount of the relevant Defaulted Notional Amount or Additional Loss Payment, as applicable, on a *pro rata* and *pari passu* basis until the Outstanding Principal Balance of each Note is reduced to USD 1 (one U.S. Dollar) or, on the Final Payment Date, zero. The Adjusted Outstanding Principal Balance of the Notes will be adjusted automatically and interest shall not accrue on any Note if and for so long as the Adjusted Outstanding Principal Balance of such Note is USD 1 or less. Reductions to the Outstanding Principal Balance of the Notes may, in certain circumstances, be subsequently reinstated with interest. To the extent not previously paid or reduced, the aggregate Outstanding Principal Balance of, and accrued and unpaid interest on, the Notes will be due and payable on the Final Maturity Date.

On the Closing Date, the proceeds of the issue of the Notes will be deposited by the Issuer into the Principal Collections Account. The Swap Counterparty may, at any time and from time to time, direct the Issuer to terminate any then current Collateral Investment and to invest the Collateral Principal Proceeds in the Alternative Collateral Investment.

Collateral Principal Proceeds will be applied from time to time to pay, amongst other things, any Cash Settlement Amounts that may be payable under the Credit Default Swap and, to the extent not so applied, will be used to redeem the Notes as described below. If, as at the Notes Termination Date, the Collateral Principal Proceeds consist of Repo Collateral and any Note remains outstanding on such date, the balance of the Repo Proceeds shall be deposited into the Principal Collections Account and applied in paying any Cash Settlement Amount that may fall due thereafter or, to the extent not so required, in redemption of the Notes.

Swap Premium, Collateral Income Proceeds and Collateral Principal Proceeds will, from time to time, be applied, subject to the priority of payments and security provisions as described herein, to discharge the Issuer's payment obligations under the Notes, the Credit Default Swap and the other Transaction Documents.

Parties

Issuer	Oryza 1 CLO Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands (registered number 269308) whose registered office is at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands.
Arranger	Standard Chartered Bank
Lead Manager	Standard Chartered Bank
Swap Counterparty	Standard Chartered Bank

Repo Counterparty	Any entity having the Required Repo CP Rating as may be selected by the Swap Counterparty in accordance with the terms of the Collateral Switch Agreement.
Note Trustee	BNY Mellon Corporate Trustee Services Limited
Security Trustee	BNY Mellon Corporate Trustee Services Limited
Custodian	Any entity having the Required Custodian Rating as may be selected by the Swap Counterparty in accordance with the terms of the Collateral Switch Agreement.
Administrator	The Bank of New York Mellon, London Branch
Agent Bank and Principal Paying Agent	The Bank of New York Mellon, London Branch
Paying Agent	The Principal Paying Agent and any other paying agent appointed from time to time under the Agency Agreement
Registrar	The Bank of New York Mellon (Luxembourg) S.A.
Accountant	PricewaterhouseCoopers LLP
Calculation Agent	Standard Chartered Bank
Credit Event Monitor Agent	Standard Chartered Bank
Account Bank	Standard Chartered Bank
Listing Agent	NCB Stockbrokers Limited
Corporate Services Provider	MaplesFS Limited

The Notes

Initial Principal Balance	The Notes will have an Initial Principal Balance of USD 105,000,000. The Notes will be issued on the terms and conditions set forth in, and have the benefit of, the Note Trust Deed and will be secured pursuant to the Security Trust Deed and any appropriate local law security arrangements. The Notes will be issued by the Issuer.
Scheduled Maturity Date	28 December 2015 (subject to adjustment in accordance with the Following Business Day Convention).
Final Maturity Date	28 December 2016 (subject to adjustment in accordance with the Following Business Day Convention).
Following Business Day Convention	If such day would otherwise fall on a day that is not a Business Day, the following Business Day.
Business Day	Any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange currency deposits) in New York, Singapore and London.
Ratings	The Notes will not be rated by any rating agency.
Status	The Notes will constitute secured, limited recourse obligations of the Issuer and each Note will at all times rank *pari passu* with each other Note.
Interest in respect of the Notes	Interest on each Note will accrue on a daily basis at the relevant Rate of Interest on the Adjusted Outstanding Principal Balance of such Note from and including the Closing Date and will accrue *provided* that the Adjusted Outstanding Principal Balance of such Note is in excess of USD 1. Interest payable on each Note in respect of an Interest Period will be calculated as an amount determined by the Agent Bank to be the product of: (a) the Rate of Interest for the relevant Interest Period;

(b) the arithmetic average of the Adjusted Outstanding Principal Balance of such Note for each day in such Interest Period (after any adjustments to the Adjusted Outstanding Principal Balance thereof due to be made on each such day); and

(c) the actual number of days in such Interest Period divided by 360 and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

Such interest shall be payable in arrear, on each Payment Date subject as provided in Condition 8 (*Payments*).

The amount of interest payable on any Payment Date may be adjusted in accordance with Condition 6.12 (*Interest on Principal Reinstatement*), if applicable.

Rate of Interest

The Rate of Interest applicable prior to the Notes Termination Date in respect of the Notes shall be USD LIBOR *plus* 14 per cent. per annum.

The Rate of Interest applicable on and after the Notes Termination Date in respect of the Notes shall be USD LIBOR *plus* 2 per cent. per annum.

USD LIBOR will be determined by the Agent Bank for each Interest Period pursuant to the Conditions.

Interest Payment Dates

28 March, 28 June, 28 September and 28 December of each year, from and including 28 September 2012 to and including the Final Maturity Date (in each case subject to the Following Business Day Convention).

Outstanding Principal Balance

Amounts of principal payable in respect of the Notes will be determined by reference to the Outstanding Principal Balance of the Notes.

The Outstanding Principal Balance means:

(a) with respect to the Notes on any date or time of determination, an amount equal to:

(i) the Initial Principal Balance of the Notes;

(ii) *minus* the aggregate amount of Defaulted Notional Amounts allocated to the Notes in reduction of the Outstanding Principal Balance of the Notes pursuant to the Conditions on or before such date or time;

(iii) *plus* the aggregate amount of Reinstatement Amounts, if any, applied in the reinstatement of the Outstanding Principal Balance of the Notes made pursuant to the Conditions on or before such date or time;

(iv) *minus* the aggregate amount of Additional Loss Payments, if any, allocated to the Notes in reduction of the Outstanding Principal Balance of the Notes pursuant to the Conditions on or before such date or time; and

(v) *minus* the aggregate amount of payments, if any, of principal made in respect of the Notes on or before such date or time; and

(b) with respect to a Note on any date or any time of determination, a proportion of the Outstanding Principal Balance of the Notes on that date or time of determination equal to the proportion of the Initial Principal Balance of the relevant Note bears to the Initial Principal Balance of the Notes.

Adjusted Outstanding Principal Balance

Amounts of interest payable in respect of the Notes will be determined by reference to the Adjusted Outstanding Principal Balance of the Notes.

The Adjusted Outstanding Principal Balance means:

(a) with respect to the Notes, on any date or time of determination, an amount equal to:

(i) the Initial Principal Balance of the Notes;

(ii) *minus* the aggregate amount of Assumed Loss Amounts allocated to the Notes in reduction of the Adjusted Outstanding Principal Balance pursuant to the Conditions on or before such date or time;

(iii) *plus* the aggregate amount of Adjusted Reinstatement Amounts, if any, applied in the reinstatement of the Adjusted Outstanding Principal Balance of the Notes made pursuant to the Conditions on or before such date or time;

(iv) *minus* the aggregate amount of Additional Loss Payments, if any, allocated to the Notes in reduction of the Adjusted Outstanding Principal Balance of the Notes pursuant to the Conditions on or before such date or time; and

(v) *minus* the aggregate amount of payments, if any, of principal made in respect of the Notes on or before such date or time; and

(b) with respect to a Note, on any date or any time of determination, a proportion of the Adjusted Outstanding Principal Balance of the Notes on that date or time of determination equal to the proportion that the Initial Principal Balance of the relevant Note bears to the Initial Principal Balance of the Notes.

Reductions of Outstanding Principal Balance

Upon the occurrence of each Event Determination Date under the Credit Default Swap and/or any Payment Date upon which the Issuer is obliged to pay an Additional Loss Payment to the Swap Counterparty, subject to the terms of the Conditions and taking into account, among other things, the Threshold Amount, the Outstanding Principal Balance of the Notes will be reduced on such Event Determination Date or Payment Date, as applicable, without any commensurate payment to Noteholders, by the amount of the relevant Defaulted Notional Amount or Additional Loss Payment, as applicable, on a *pro rata* and *pari passu* basis until the Outstanding Principal Balance of each Note is reduced to USD 1 (one U.S. Dollar) or, on the Final Payment Date, zero. The Adjusted Outstanding Principal Balance of the Notes will be adjusted automatically and interest shall not accrue on any Note if and for so long as the Adjusted Outstanding Principal Balance of such Note is USD 1 or less.

Principal Reinstatement

Upon the determination of a Verified Loss Amount or on the date on which a Credit Event is Cured under the Credit Default Swap and on any Payment Date on which a Loss Adjustment Payment is paid by the Swap Counterparty to the Issuer under the Credit Default Swap, the Outstanding Principal Balance of the Notes will be increased, without any corresponding payment to the Noteholders, by:

(a) an amount (each such amount, a "**Note Recovery Amount**") determined by the Calculation Agent equal to (A) (Initial Principal Balance of the Notes *minus* Tranche Loss) *minus* (B) (the greater of (i) the aggregate of Defaulted Notional Amounts relating to any Defaulted Reference Obligations which have not, as at such date, become Liquidated Reference Obligations *minus* the Adjusted Threshold Balance and (ii) zero), in each case following the determination of such Verified Loss Amount *minus* (C) the Outstanding Principal Balance of the Notes immediately prior to such determination, *provided* that the Note Recovery Amount shall not be less than zero; or

(b) to the extent not accounted for pursuant to paragraph (a) above, the Loss Adjustment Payment,

as applicable, in order to reinstate any amounts previously applied in

reduction of the Outstanding Principal Balance of the Notes such that the Outstanding Principal Balance of the Notes following such re-instatement reflects the then current aggregate losses and potential losses under the Reference Portfolio, taking into account, amongst other things, the Threshold Balance (the date of such increase being a "**Reinstatement Date**"). Such reinstatement shall be allocated to the Notes until the Outstanding Principal Balance of the Notes is equal to its Initial Principal Balance *less* any Redemption Amounts previously paid in respect of the Notes (the amount so allocated to the Notes being the "**Reinstatement Amount**"). The Calculation Agent shall, as soon as reasonably practicable thereafter, notify in writing the Issuer, the Agent Bank, the Principal Paying Agent, the Administrator and the Note Trustee of the Outstanding Principal Balance and the Adjusted Outstanding Principal Balance following such reinstatement.

For the purposes hereof, "**Adjusted Threshold Balance**" means, on any date of determination, the greater of: (a) zero; and (b) (A) the Threshold Amount *minus* (B) the Adjusted Cumulative Loss Amount.

Interest on Principal Reinstatement

On the Payment Date immediately following the Reinstatement Date relating to a Note Recovery Amount (or, if such Payment Date falls less than 2 Business Days after such Reinstatement Date and such Payment Date is not the Final Payment Date, the next following Payment Date) and on each Reinstatement Date relating to a Loss Adjustment Payment, the Issuer shall, subject to Condition 8 (*Payments*), pay to the Noteholders, with respect to any Notes, the Outstanding Principal Balance of which is to be reinstated:

(a) the Aggregate Make-up Amount (if a positive number), together with any Aggregate Make-up Compound Amount (if a positive number) in respect of that Payment Date; and

(b) in respect of any Payment Date upon which an Excess Adjustment Period ends, each Regular Interest Amount, together with each Compounded Interest Amount, in respect of each Payment Date falling within such Excess Adjustment Period.

On the Payment Date immediately following the Reinstatement Date relating to a Note Recovery Amount (or, if such Payment Date falls less than 2 Business Days after such Reinstatement Date and such Payment Date is not the Final Payment Date, the next following Payment Date), the Issuer shall reduce the amount of interest payable pursuant to Condition 5 (*Interest*) on the Notes in respect of that Payment Date (subject to a minimum of zero) by an amount equal to the sum of:

(a) the absolute value of any Aggregate Make-up Amount (if a negative number) in respect of that Payment Date; and

(b) the absolute value of any Aggregate Make-up Compound Amount (if a negative number) in respect of that Payment Date,

(such sum, the "**Interest Reduction Amount**"). If on any such Payment Date the Interest Reduction Amount in respect of the Notes is greater than the amount of interest payable in respect of the Notes on such Payment Date, such excess shall be deducted from the amount of interest payable in respect of the Notes on future Payment Dates until any such excess has been reduced to zero. Interest shall accrue on such unsatisfied excess amounts at USD LIBOR and be compounded on future Payment Dates until paid.

In the event that any such excess (including accrued interest thereon) remains unpaid on the Notes Termination Date or on any Redemption Date thereafter and/or any Interest Reduction Amount is payable on the Notes Termination Date or on any Redemption Date thereafter and the amount of interest payable on the Notes on the Notes Termination Date or on any such Redemption Date thereafter is less than the sum of such excess amount and such Interest Reduction Amount (the difference being the "**Interest Deduction Amount**"), the Outstanding Principal Balance of the Notes shall be reduced on the Notes Termination Date or on any such Redemption Date thereafter, before any payments are made to Noteholders

on such date and without corresponding payment to the Noteholders, by the Interest Deduction Amount. The Issuer shall pay an amount equal to the Interest Deduction Amount to the Swap Counterparty on such Payment Date by means of an additional payment under the Credit Default Swap.

Timing of Redemption

The date on which payment in full of principal on the Notes is scheduled to commence is the Scheduled Maturity Date, being 28 December 2015 (or, if such day is not a Business Day, on the following Business Day).

However, payment of principal on the Notes may commence prior to the Scheduled Maturity Date as a result of (a) the determination of an Amortised Amount under the Credit Default Swap, (b) the occurrence of an Early Redemption Date (including a Tax Redemption Date or a Swap Optional Termination Date), or (c) the occurrence of an Enforcement Date.

To the extent not previously paid or reduced, the Notes will be redeemed in full on the Final Maturity Date.

Amortised Redemption

If at any time after the Replenishment Period and during a relevant Amortisation Period, the Tranche Notional Amount under the Credit Default Swap has been reduced by one or more Writedown Amounts pursuant to the terms of the Credit Default Swap, the Issuer shall, on the immediately following Interest Payment Date, subject to any prior ranking claims in accordance with the applicable Order of Priority, apply the Principal Collections in an amount equal to the aggregate Amortised Amounts determined during such Amortisation Period (but only after the expiry of the Replenishment Period) and, to the extent of interest due, Interest Collections available for distribution on that date towards redemption of the Notes (together with any accrued but unpaid interest thereon) until the Outstanding Principal Balance of each Note is at the Minimum Balance.

Redemption on and after Notes Termination Date

On the Notes Termination Date and on each Redemption Date thereafter, the Issuer shall, subject to any prior ranking claims in accordance with the applicable Order of Priority, allocate and apply the Principal Collections in an amount equal to the Distributable Principal Amount for that date together with Interest Collections available for distribution on that date towards redemption of the Notes (together with any accrued but unpaid interest thereon) until the Outstanding Principal Balance of each Note is at the Minimum Balance.

Distributable Principal Amount

The aggregate amount of principal to be paid on the Notes on the Notes Termination Date and, if applicable, on any Redemption Date thereafter will be an amount equal to the Distributable Principal Amount, being an amount equal to the aggregate Outstanding Principal Balance of the Notes on such date (after giving effect to any adjustments applicable thereto as a result of the occurrence of any Event Determination Date or as a result of any Additional Loss Payment to be paid by the Issuer on such date or any Reinstatement Amount to be applied thereto on such date or applied in the immediately preceding Interest Period but before giving effect to any adjustments applicable thereto as a result of any principal payments to be made on such date) *minus* the Payable Maximum Cash Settlement Amount (but for such purposes excluding the aggregate Defaulted Notional Amount of all Defaulted Reference Obligations and the aggregate Verified Loss Amount in respect of all Pending Liquidated Reference Obligations, in each case, used for determining such Payable Maximum Cash Settlement Amount).

Payable Maximum Cash Settlement Amount

The Payable Maximum Cash Settlement Amount, on any date of determination, shall be equal to the lesser of: (a) the Tranche Notional Amount on such date (prior to any adjustment (if any) to the Tranche Notional Amount to be made on such date); (b) (A) the Maximum Cash Settlement Amount on such date *minus* (B) the Threshold Balance (subject to a minimum of zero); and (c) (A) the Initial Tranche Notional Amount *minus* (B) the Tranche Loss.

Maximum Cash Settlement Amount	The Maximum Cash Settlement Amount, on any date of determination, shall be equal to the aggregate of (A) the aggregate Defaulted Notional Amount of all Defaulted Reference Obligations, (B) the aggregate Verified Loss Amount in respect of all Pending Liquidated Reference Obligations, and (C) the aggregate Reference Obligation Notional Amount of all Potential Defaulted Reference Obligations. The Maximum Cash Settlement Amount (and, taking into account the Threshold Balance (if any), the Distributable Principal Amount) on any Redemption Date will be dependent upon the existing and/or potential payment liabilities of the Issuer under outstanding credit protection claims made pursuant to the Credit Default Swap. See "*General Terms – Termination of the Credit Default Swap and Outstanding Potential Credit Protection Claims*", "*Credit Protection Claims – Notice Delivery Period*" under the "*Description of the Credit Default Swap*" summary below for a summary of the circumstances in which a valid credit protection claim may be made with respect to the Credit Default Swap as well as the circumstances in which the time period for making credit protection claims in respect of the Credit Default Swap may be extended beyond the Initial Termination Date.
Redemption upon Tax Redemption Event	Upon the occurrence of a Tax Redemption Event, the Issuer may, subject to certain conditions, designate any Interest Payment Date as the Tax Redemption Date on giving not less than 30 calendar days' and not more than 45 calendar days' irrevocable notice to the Noteholders. See "*Terms and Conditions of the Notes — Condition 6.3* (*Designation of a Tax Redemption Date*)".
Redemption upon Swap Optional Termination Date	If: (a) a Clean-up Event; or (b) a Regulatory Event occurs, *provided* that the Scheduled Maturity Date has not already occurred, the Swap Counterparty will have the right under the Credit Default Swap to designate a Swap Optional Termination Date on giving at least (i) in the case of a Clean-up Event, 5 Business Days' prior written notice, or (ii) in the case of a Regulatory Event, 10 Business Days' prior written notice. See "*Terms and Conditions of the Notes — Condition 6.4* (*Designation of a Swap Optional Termination Date*)".
Clean-up Event	A Clean-up Event will occur when, on any date of determination following the end of the Replenishment Period, the Portfolio Notional Amount is equal to or less than 10 per cent. of the Initial Portfolio Notional Amount.
Regulatory Event	A Regulatory Event will occur when, in the sole and reasonable opinion of the Swap Counterparty, there is a material change in the Swap Counterparty's ability to reflect the full benefit of the Credit Default Swap or the transaction to which it relates as anticipated on the Closing Date to an extent which is material to the Swap Counterparty, as a result of an enactment of, or supplement or amendment to, or a change in, law, policy or official interpretation of any relevant regulations or as a result of any official communication, interpretation or determination made by any relevant regulatory authority.
Events of Default	The Events of Default are set out in Condition 10 (*Events of Default and Acceleration*) and include, without limitation, (a) unremedied defaults by the Issuer relating to the payment of principal or interest on the Notes or relating to the performance of its other obligations under or in respect of the Notes for a continuous period, (b) the Security ceasing to be valid and enforceable and (c) insolvency of the Issuer. Subject to the terms of the Security Trust Deed, and subject to being indemnified and/or secured and/or prefunded to its satisfaction, the Security Trustee (1) shall upon receipt by it of a Note Default Notice, or (2) following the occurrence of an Enforcement Event, may, at its discretion, or shall, if so directed by the Instructing Party, and subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction unless it has already given such notice at such time, give an Enforcement Notice to the Issuer (with a copy to the Note Trustee, the Administrator and each Agent) declaring

either (A) that the Security has become enforceable pursuant to and upon the delivery of a Note Default Notice or (B) the Security to be enforceable following the occurrence of an Enforcement Event.

The occurrence of an Early Termination Date (as described herein) under the ISDA Master Agreement may result in the occurrence of an Enforcement Date. In the event that an Enforcement Date occurs, a Notes Termination Date would occur and the Notes will be redeemed in accordance with Condition 6.2 (*Redemption on or after the Notes Termination Date*). If an Early Termination Date occurs under the Credit Default Swap other than due to the occurrence of a Swap Tax Event or Swap Acceleration Event, the Notes shall become immediately due and payable in accordance with Condition 6.2 (*Redemption on or after the Notes Termination Date*) without any further notice or other action on the part of the Security Trustee, the Note Trustee or the Noteholders.

Taxation of Payments on the Notes

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes (the "**Relevant Jurisdiction**"), unless such withholding or deduction is required by law. In that event, the Issuer shall make such payments 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 Paying Agent will be obliged to pay any additional amounts to the Noteholders in respect of such withholding or deduction.

However, in that event, *provided* that the Issuer has been specifically provided with funds by the Swap Counterparty (at the option of the Swap Counterparty) for such purpose, the Issuer will pay such additional amounts ("**Additional Amounts**") as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had become required, except that no Additional Amounts will be payable in respect of any Notes in the circumstances set out in Condition 9(a) (*Taxation*).

In the event that the Issuer is required or would, if provided with funds therefor, be required to pay any Additional Amounts to Noteholders, and the Swap Counterparty has elected to terminate the Credit Default Swap or has failed to pay any additional amount which it has elected to pay under the Credit Default Swap or has elected not to indemnify the Issuer in respect of any Tax incurred by it or for any Additional Amount which the Issuer would, if it were so funded, be obliged to pay to Noteholders under Condition 9 (*Taxation*), the Notes will be redeemable in accordance with Condition 6.3 (*Designation of a Tax Redemption Date*).

United Kingdom Taxation

See "*Taxation of Noteholders – United Kingdom Taxation*".

Cayman Islands Taxation

See "*Taxation of Noteholders – Cayman Islands Taxation*".

Certain ERISA and other considerations

See "*Certain ERISA and Other Considerations*".

Conditions

References to the Conditions (or any Condition) are to the terms and conditions of the Notes in the form scheduled to the Note Trust Deed, as those terms and conditions may be modified from time to time in accordance with the terms of the Note Trust Deed. See "*Terms and Conditions of the Notes*".

Credit Default Swap

On the Closing Date, the Issuer will enter into the Credit Default Swap with SCB as Swap Counterparty pursuant to which the Issuer will provide credit protection in respect of a number of Reference Entities and the related Reference Obligations. The Credit Default Swap will be documented under the ISDA Master as supplemented by the Swap Confirmation. The principal terms of the Credit Default Swap will be as set out below.

Swap Premium	As the buyer of credit protection, the Swap Counterparty will make periodic payments of the Swap Premium to the Issuer.
The Reference Portfolio and Reference Entities	The Swap Counterparty designated, with respect to the Initial Portfolio Composition Date, the Reference Portfolio which shall be the subject of the Credit Default Swap. The Reference Portfolio will, at any time, consist of a pool of Reference Entities and the related Reference Obligations at that time, which may or may not have been originated or acquired by the Swap Counterparty. The Reference Entities and the related Reference Obligations will be specified in the Reference Registry and will each be identified by an identification code in the Reference Registry.
Initial Portfolio Composition Date	15 June 2012.
Reference Obligations	Reference Obligations may be LOC Reimbursement Obligations and certain claims, including partial claims and contingent claims in respect of principal, interest, and fees (if any) arising from loans (including syndicated loans), revolving credit facilities and other payment claims (but excluding claims in respect of Letters of Credit other than LOC Reimbursement Obligations) to corporate entities (including financial institutions and certain other entities) including any obligations that are guaranteed by a Reference Obligation Guarantor.
Reference Obligation Notional Amount	The Swap Counterparty has designated a Reference Obligation Notional Amount in respect of each Reference Obligation in the Reference Registry. The Reference Obligation Notional Amount of a Reference Obligation may be reduced as a result of a Reduction or increased as a result of Replenishment, in the manner described below.
Reference Registry	The Swap Counterparty will be required to maintain a registry specifying certain detailed information in respect of each Reference Obligation and Reference Entity. See "*Reference Registry*" below for a description of the contents of the Reference Registry.
Servicing	The administration, collection and enforcement of each Reference Obligation including the enforcement of any related Reference Collateral, shall be carried out in accordance with the Servicing Principles. The administration, collection and enforcement of each Reference Obligation, including the enforcement of any security granted in respect thereof, shall be carried out by (i) an SCB Entity or (ii) a third party agent bank on behalf of an SCB Entity or (iii) an agent bank duly appointed under the documentation governing such Reference Obligation. See "*Reference Portfolio – Servicing*" under "*Description of the Credit Default Swap*" and "*SCB's Credit and Collection Policy*".
Non-U.S. Dollar Reference Obligations	In respect of each Non-U.S. Dollar Reference Obligation, the Swap Counterparty shall designate a U.S. Dollar amount as the Reference Obligation Notional Amount thereof, such U.S. Dollar amount being the U.S. Dollar equivalent of the amount in the currency of denomination of such Reference Obligation in respect of which the Swap Counterparty is buying credit protection converted into U.S. Dollars at the Relevant FX Rate. The Relevant FX Rate is set on the Initial Portfolio Composition Date or the date that an obligation in the relevant currency is first included in the Reference Portfolio and may be subsequently reset by reference to the rate determined by the Swap Counterparty (and quoted as the number of foreign currency units per U.S. Dollar) to be the mid-market foreign exchange rate prevailing on such date for the conversion of the relevant currency into U.S. Dollars applied by the Swap Counterparty for its own regular foreign exchange transactions. In order to reflect fluctuations in the exchange rate between U.S. Dollars and the currency of such Non-U.S. Dollar Reference Obligations, subject to the provisions of the Credit Default Swap, the Swap Counterparty may, but is not obliged to, from time to time and irrespective of whether the Replenishment Period has come to an end, reset the Relevant FX Rate applicable to any Non-U.S. Dollar Reference Obligation (excluding any Defaulted Reference Obligations or Liquidated Reference Obligations) on

the last day of each (or any) calendar month.

Replenishments

On any Business Day during the Replenishment Period on which the Maximum Portfolio Notional Amount exceeds the Portfolio Notional Amount, the Swap Counterparty may, subject to certain conditions, adjust the Reference Portfolio, by:

(a) adding Reference Obligations relating to existing Reference Entities;

(b) adding new Reference Entities and adding related Reference Obligations to the Reference Portfolio; or

(c) increasing the Reference Obligation Notional Amount of any Reference Obligation then comprising the Reference Portfolio,

or any combination of the foregoing.

"**Replenishment Period**" means the period from and including the Closing Date to but excluding the earliest of:

(a) the date on which the aggregate of the Reference Obligation Notional Amounts of (i) all Defaulted Reference Obligations; (ii) all Liquidated Reference Obligations; and (iii) all Reference Obligations that are neither Defaulted Reference Obligations nor Liquidated Reference Obligations in respect of which the relevant Reference Entity has a SCB Corporate Risk Factor of 13 or 14, exceeds 5 per cent. of the Initial Portfolio Notional Amount;

(b) 28 September 2015; and

(c) the Initial Termination Date.

See "*Description of the Credit Default Swap - Reference Portfolio - Replenishments*" for a description of the additional conditions (including satisfaction of the Eligibility Criteria and Replenishment Conditions) that must be satisfied for the purposes of Replenishments.

Reductions

The Swap Counterparty may, at any time and from time to time, elect to reduce the Reference Obligation Notional Amount of any Reference Obligation (a "**Reduction**") as a result of the occurrence of any one of the events specified in the Credit Default Swap. See "*Description of the Credit Default Swap - Reference Portfolio – Reductions*" for a summary of the applicable events. Any such Reduction will be effective on the day on which it is made. Upon a Reduction, the Reference Obligation Notional Amount of the Reference Obligation that is the subject of a Reduction shall be reduced by the relevant Reduction Amount but without prejudice to the ability of the Reference Obligation Notional Amount for that Reference Obligation to be subsequently increased pursuant to a Replenishment. If the Reference Obligation Notional Amount of a Reference Obligation is reduced to zero it shall be removed from the Reference Portfolio, but without prejudice to the ability of such Reference Obligation to be subsequently included in the Reference Portfolio to the extent that it is the subject of a Replenishment.

Credit Protection Term

The Issuer will provide credit protection only with respect to Credit Events which occur on or before the relevant Reference Obligation Due Date in accordance with the Credit Default Swap. See "*Credit Protection Claims – Conditions to Settlement*" under "*Description of the Credit Default Swap*".

Notice Delivery Period

The Notice Delivery Period means the period from and including the Closing Date to and including the Credit Protection Term End Date or, in respect of any Potential Defaulted Reference Obligation in respect of which a Potential Failure to Pay Extension Notice is delivered on or before the Credit Protection Term End Date, to and including the date falling 10 Business Days after the Grace Period Extension Date in respect of such Potential Defaulted Reference Obligation.

See "*Description of the Credit Default Swap - Credit Protection Claims – Notice Delivery Period*".

Credit Events

Subject to the occurrence of one or more Credit Events and certain other

conditions, the Issuer may become liable to make payments of Cash Settlement Amounts to the Swap Counterparty. A Credit Event means, with respect to a Reference Entity, Bankruptcy, Failure to Pay or Restructuring. See "*Description of the Credit Default Swap – Credit Protection Claims - Credit Events*".

Following the occurrence of a Credit Event with respect to a Reference Entity, the Swap Counterparty may elect to make a credit protection claim in respect of that Reference Entity.

Conditions to Settlement

No Cash Settlement Amount will be payable by the Issuer as a result of the occurrence of a Credit Event unless the Conditions to Settlement have been satisfied. The Conditions to Settlement are satisfied if a Credit Event Notice and Notice of Accountant Certification have been delivered within certain defined time periods. See "*Description of the Credit Default Swap – Credit Protection Claims – Conditions to Settlement*".

Loss Determination

Following the occurrence of a Credit Event in respect of a Reference Entity, if the Swap Counterparty elects to make a credit protection claim then, subject to the satisfaction of the Conditions to Settlement (other than the Notice of Accountant Certification), the Calculation Agent will determine a Loss Amount in respect of the Reference Obligation(s) of the relevant Reference Entity. The Loss Amount will be determined by reference to recoveries upon a work-out or sale of the Reference Obligation(s) of the relevant Reference Entity or, in the event that recoveries cannot be determined prior to the Workout Cut-off Date, by reference to the Fallback Price or the Financial Provision Fallback Price as described in the definition of "Final Price". See "*Description of the Credit Default Swap - Settlement Provisions – Loss Determination*".

Calculation Verification

Upon determination of a Loss Amount in respect of a Reference Obligation, the Swap Counterparty is required to procure the delivery to the Calculation Agent, the Issuer and the Note Trustee of a written report by the Accountant verifying the computation by the Calculation Agent of the Loss Amount in respect of such Reference Obligation. With respect to any Reference Obligation, the amount so verified is the Verified Loss Amount and the date on which such Loss Amount is verified is the Verification Date.

Cash Settlement Amount

Following the satisfaction of the Conditions to Settlement and the completion of the loss determination and verification procedures described above, the Calculation Agent will ascertain the Cash Settlement Amount payable by the Issuer to the Swap Counterparty. The Cash Settlement Amount will be determined as follows:

(a) if the Adjusted Cumulative Loss Amount is greater than the Threshold Amount, the Cash Settlement Amount will be the amount equal to the Tranche Loss *minus* the Paid Loss; or

(b) if the Adjusted Cumulative Loss Amount is less than or equal to the Threshold Amount, the Cash Settlement Amount will be zero,

provided that the Cash Settlement Amount may not be less than zero. The above is more fully described in "*Description of the Credit Default Swap - Settlement Provisions - Cash Settlement Amount*".

Additional Swap Counterparty Payments

The Swap Counterparty may be liable to make payments of Loss Adjustment Payments to the Issuer following the determination of any Late Recovery Amount or Excess Loss Amount.

If a Loss Adjustment Payment is determined to be due by the Swap Counterparty to the Issuer, the Swap Counterparty shall, in addition, be required to pay, on the relevant Payment Date, as part of the Notes Funding Amount an amount equal to the sum of the Regular Interest Amount and the Compounded Interest Amount that is payable by the Issuer in respect of the Notes as a result of such Loss Adjustment Payment pursuant to Condition 6.12 (*Interest on Principal Reinstatement*). See "*Description of the Credit Default Swap - Settlement Provisions - Late Receipts, Erroneous Payments and Additional Payments*".

Additional Issuer Payments

The Issuer may, in certain circumstances, be liable to make further

payments to the Swap Counterparty (being an Additional Loss Payment) following the determination of an Additional Loss Amount pursuant to the provisions of the Credit Default Swap. See "*Description of the Credit Default Swap - Settlement Provisions – Additional Payments*".

Credit Default Swap Termination Date

The Credit Default Swap will terminate at the earliest of the Scheduled Termination Date, the date on which the Tranche Notional Amount is reduced to zero and the aggregate Outstanding Principal Balance of all of the Notes is zero, an Early Termination Date, the Swap Optional Termination Date and the Tax Termination Date. See also "*Description of the Credit Default Swap - General Terms – Termination of the Credit Default Swap and Outstanding Potential Credit Protection Claims*" for a description of the circumstances in which the credit protection term may be extended.

Collateral

Note Proceeds

On the Closing Date, the proceeds of the Notes will be deposited by the Issuer into the Principal Collections Account. Pursuant to the Account Bank Agreement, the Account Bank shall pay interest on the cash deposit at a rate of interest agreed from time to time between the Issuer, the Account Bank and the Swap Counterparty, and shall pay to the Issuer from and to the extent of the credit balance of the Principal Collections Account such amount as may be required by the Issuer from time to time to pay Cash Settlement Amounts to the Swap Counterparty or principal in redemption of the Notes.

Switch to Repo

Pursuant to the Collateral Switch Agreement, the Swap Counterparty may, at any time after the Closing Date, other than during a Repo Existence Period, by notice in writing to the Issuer, the Administrator and the Security Trustee: (a) designate an Interest Payment Date as a Repo Commencement Date, and (b) instruct the Issuer to, as at such Interest Payment Date, (1) enter into a Repurchase Agreement in the Approved Form with an entity (as seller of Eligible Securities) selected by the Swap Counterparty pursuant to which the Issuer will apply all of the Collateral Principal Proceeds in purchasing Eligible Securities from the Repo Counterparty, (2) enter into a Custody Agreement in the Approved Form with an entity (as custodian) selected by the Swap Counterparty pursuant to which the Custodian will be required to agree, among other things, to hold in custody the Eligible Securities purchased by the Issuer pursuant to the Repurchase Agreement and (3) apply all of the Collateral Principal Proceeds in purchasing Eligible Securities from the Repo Counterparty under the terms of the Repurchase Agreement.

The Swap Counterparty may, at any time and from time to time, direct the Issuer to terminate any then current Collateral Investment and to invest the Collateral Principal Proceeds in the Alternative Collateral Investment.

Repo Existence Period

Any period during which the proceeds of the Notes (or the remainder thereof) are invested in Eligible Securities pursuant to a Repurchase Agreement.

Approved Form Repurchase Agreement

Initial Purchase

Pursuant to the Collateral Switch Agreement, the Issuer may be required to enter into a Repurchase Agreement with the relevant Repo Counterparty. The following summary applies with respect to and during any Repo Existence Period.

Pursuant to the Approved Form Repurchase Agreement, the Issuer will, on a Repo Commencement Date, purchase Eligible Securities from the Repo Counterparty at an initial purchase price equal to the then current amount of the Collateral Principal Proceeds.

Repo Collateral

The Repo Collateral, if any, will be comprised of all Eligible Securities purchased by the Issuer from the Repo Counterparty or delivered by the Repo Counterparty to the Issuer by way of margin or substitution (or, if applicable, the cash proceeds thereof) and which, at such time, have not been repurchased by or redelivered to the Repo Counterparty.

Pursuant to the terms of the Approved Form Custody Agreement, which is the form of agreement that the relevant Custodian will be required to

execute upon execution of the Repurchase Agreement, the Custodian will hold the Repo Collateral in the form of Eligible Securities in a designated custody securities account in the name of the Issuer. The Custodian will cause such holding on behalf of the Issuer to be reflected in its own records and, if permissible, in its client records with Euroclear and/or Clearstream, Luxembourg. Subject to the provisions of the Custody Agreement, (a) Collateral Income Proceeds in respect of any Repo Collateral received by or on behalf of the Custodian for the account of the Issuer from time to time will be deposited into the Interest Collections Account and (b) redemption and/or sale proceeds of any Repo Collateral which are received by or on behalf of the Custodian for the account of the Issuer from time to time will be transferred from the Custody Account and held in the Issuer's Principal Collections Account with the Account Bank.

Substitutions for Cash

On any Business Day upon which the Issuer holds the proceeds of redemption of any Repo Collateral, the Repo Counterparty shall deliver to the Issuer Eligible Securities with a Market Value at least equal to such proceeds in substitution for such proceeds. Such substituted Eligible Securities will constitute replacement Repo Collateral.

Issuer Payments and Repurchase of Eligible Securities

If on any Payment Date (occurring during a Repo Existence Period) the Issuer is required to pay any principal amount or a Cash Settlement Amount is due under the Credit Default Swap, it will sell Eligible Securities to the Repo Counterparty to the extent necessary to realise the funds required to make such payment. On each such Payment Date, the Repo Counterparty shall repurchase Eligible Securities in exchange for a cash amount equal to the payment then due, and the Initial Transaction shall be adjusted in the manner described in "*Approved Form of The Repurchase Agreement and Custody Agreement - Issuer Payment and Repurchase of Equivalent Securities*".

Principal Reinstatements and Purchase of Eligible Securities

On any Payment Date (occurring during a Repo Existence Period) on which the Outstanding Principal Balance of the Notes is to be increased by aggregate Reinstatement Amounts pursuant to the Conditions, the Issuer shall, on such date, apply an amount equal to the aggregate Reinstatement Amounts (but only to the extent that such Reinstatement Amounts relate to Loss Adjustment Payments) in purchasing from the Repo Counterparty Eligible Securities the Market Value of which is at least equal to such aggregate Reinstatement Amounts multiplied by the Margin Ratio.

Repo Premium

The Repo Counterparty will pay to the Issuer, on each Payment Date, (occurring during a Repo Existence Period) the Repo Premium which shall accrue on a daily basis on the Purchase Price of the Repo Collateral and which will be determined as described in "*Approved Form of The Repurchase Agreement and Custody Agreement - Repo Premium*".

Income on Eligible Securities

The Custodian, on behalf of the Issuer, will, subject to the provisions of the Repurchase Agreement, pay over to the Repo Counterparty all Income received by the Custodian (on behalf of the Issuer) in respect of the Repo Collateral.

Daily Mark to Market

To collateralise its obligation to pay the Outstanding Repurchase Price, the Repo Counterparty may be obliged to deliver additional Eligible Securities to the Issuer from time to time. Any additional Eligible Securities so delivered to the Custodian shall constitute additional Repo Collateral. The Market Value of the Repo Collateral will be determined by the Custodian on a daily basis. See "*Approved Form of The Repurchase Agreement and Custody Agreement – Daily Mark to Market*".

Ultimate Repurchase Obligation

If the Notes Termination Date occurs during a Repo Existence Period, on the Notes Termination Date, the Repo Counterparty shall repurchase from the Issuer securities equivalent to all of the Repo Collateral on such date at a price equal to the Outstanding Repurchase Price as at such date.

In accordance with the Security Trust Deed, the proceeds of any repurchase payments made to the Issuer under the Repurchase Agreement on the Notes Termination Date shall be deposited into the Principal Collections Account which (along with the proceeds of such account) shall be subject to the Security created pursuant to the Security Documents.

Termination	See "*Approved Form of The Repurchase Agreement and Custody Agreement - Termination of Repurchase Agreement and Repo Event of Default*".
Cash Administration	
Accounts	All payments of (a) Swap Premium and Collateral Income Proceeds will, upon receipt, be deposited into the Interest Collections Account and (b) the proceeds of the Notes or, during any Repo Existence Period, the Repo Proceeds, will, upon receipt, be deposited into the Principal Collections Account. Each Account shall be established and maintained in the name of the Issuer at the Account Bank.
Collateral Principal Proceeds	The proceeds of the Notes will, on the Closing Date, be deposited into the Principal Collections Account. The Collateral Principal Proceeds shall be on any date, (a) if the proceeds of the Notes (or the remainder thereof) are deposited in to the Principal Collections Account, the proceeds of such account, or (b) if the proceeds of the Notes (or the remainder thereof) are invested in Eligible Securities pursuant to a Repurchase Agreement, the Repo Proceeds credited to the Principal Collections Account.
Collateral Income Proceeds	Interest earned on the Principal Collections Account (or, during any Repo Existence Period, Repo Premium) and the Interest Collections Account will be paid to the Issuer from time to time and constitutes Collateral Income Proceeds.
Security	
Security Documents	The Security Documents will be comprised of the Security Trust Deed, any security document incorporating appropriate local law security arrangements and any other security document purporting to create security entered into from time to time by the Issuer in favour of the Security Trustee for the benefit of the Secured Parties.
Secured Parties	As at the Closing Date, the Secured Parties will be the Account Bank, the Administrator, the Agents, the Corporate Services Provider, the Noteholders, the Note Trustee, the Security Trustee, the Swap Counterparty and any Receiver.
Charged Assets	Under the Security Trust Deed, the Issuer will grant to the Security Trustee, among other things, an assignment by way of first fixed security of its rights, if any, in and to the credit balance from time to time of each Account and its rights, if any, to delivery of the Eligible Securities held therein and an assignment of its rights, if any, in respect of the Transaction Documents. After the Enforcement Date, the proceeds of realisation of the Charged Assets will be allocated and applied by the Security Trustee in the Enforcement Order of Priority in accordance with Clause 9.2 (*Application following Enforcement Date*) of the Security Trust Deed. See "*Security and Cash Administration - Enforcement Order of Priority*".
Limited Recourse	The Notes will constitute secured, limited recourse obligations of the Issuer. Notwithstanding any provisions of the Security Documents or of any Transaction Document, all payments of principal and interest to be made by the Issuer under the Notes and all payments to be made by the Issuer to the Secured Parties under the Transaction Documents will be payable only from the sums paid to, or net proceeds recovered by or on behalf of, the Issuer or the Security Trustee in respect of the Charged Assets and in accordance with the priority of application specified in Clause 9 (*Priority of Application*) of the Security Trust Deed. There will be no other assets of the Issuer available for any further payments by the Issuer. The Security Trustee and each other Secured Party will look solely to such sums, proceeds and the rights of the Issuer in respect of the Charged Assets in accordance with the terms of the Security Documents for payments to be made by the Issuer. Having enforced the Security and distributed the net proceeds thereof in accordance with the terms of the Security Trust Deed, none of the Security Trustee or any other Secured Party may take any further steps against the Issuer to recover any unpaid sum or undischarged payment obligation, and the Issuer's liability for any

such sum shall be extinguished.

Transaction Documents

As at the Closing Date, the Transaction Documents will be the Account Bank Agreement, Administration and Cash Management Agreement, the Agency Agreement, the Collateral Switch Agreement (including the Approved Form Custody Agreement and Approved Form Repurchase Agreement as set out therein), the Corporate Services Agreement, the Registered Office Agreement, the Credit Default Swap, the Notes, the Note Trust Deed, the Security Documents and the Subscription Agreement.

Particulars of the dates of, parties to and general nature of each Transaction Document are set out in various sections of this Prospectus.

Use of Proceeds

On the Closing Date, the proceeds of the offering of the Notes will be deposited by the Issuer into the Principal Collections Account. Collateral Principal Proceeds will be used to pay, among other things, Cash Settlement Amounts which the Issuer may become obliged to pay from time to time pursuant to the Credit Default Swap. See "*Security and Cash Administration — Application of Funds*".

The Issuer will (with funds received on the Closing Date from the Swap Counterparty under the Credit Default Swap), on the Closing Date, pay (or procure the payment of) all fees incurred by it in connection with the issuance of the Notes (including the aggregate expenses related to the admission of the Notes to trading, which are estimated to be USD 20,000), and no amount will be deducted from the proceeds of the issuance of the Notes for such purpose.

Form and Denomination of Notes

The Notes will be in registered form. The Notes will initially be represented by a Global Note Certificate in fully registrable form without interest coupons or principal receipts attached, each of which is expected to be deposited with the Common Depositary on or about the Closing Date. Individual Note Certificates, evidencing holdings of Notes, will only be available in certain limited circumstances. The Notes will be offered in minimum denominations of USD 200,000 (and integral multiples of USD 10,000 in excess thereof). See "*Form of Notes*".

Registration

The Notes have not been registered under the Securities Act. The Notes are being offered outside the United States in accordance with Regulation S. See "*Subscription and Sale*".

Governing Law

The Account Bank Agreement, the Administration and Cash Management Agreement, the Agency Agreement, the Collateral Switch Agreement, the Credit Default Swap, the Notes, the Note Trust Deed, the Security Trust Deed and any non-contractual obligations arising out of or in connection with them will be governed by, and will be construed in accordance with, English law and the parties have submitted to the non-exclusive jurisdiction of the English courts for all purposes in connection with such documents.

The Issuer will appoint Maples and Calder in England to accept service of process on its behalf in connection with such documents.

The Corporate Services Agreement and the Registered Office Agreement will be governed by the law of the Cayman Islands.

Listing

This Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.

There can be no assurance that any such listing will be obtained or, if obtained, will be maintained.

Closing Date

The date falling on or about 28 June 2012.

RISK FACTORS

An investment in the Notes involves certain risks. Prospective investors should carefully consider the following investment considerations, in addition to the matters set forth elsewhere in this Prospectus, prior to investing in the Notes.

Transaction Overview

Concurrently with the issuance of the Notes the Issuer will, on the Closing Date, enter into the Credit Default Swap with the Swap Counterparty pursuant to which the Issuer will sell credit protection to the Swap Counterparty in respect of a portfolio, designated by the Swap Counterparty, of Reference Obligations. In return for periodic payments of Swap Premium, the Issuer will be liable to make, amongst other things, payments of Cash Settlement Amounts to the Swap Counterparty upon the occurrence of a Credit Event in relation to any of the Reference Entities and the fulfilment of certain other conditions.

Upon the occurrence of each Event Determination Date under the Credit Default Swap and/or any Payment Date upon which the Issuer is obliged to pay an Additional Loss Payment to the Swap Counterparty, subject to the terms of the Conditions and taking into account, among other things, the Threshold Amount, the Outstanding Principal Balance of the Notes will be reduced on such Event Determination Date or Payment Date, as applicable, without any commensurate payment to Noteholders, by the amount of the relevant Defaulted Notional Amount or Additional Loss Payment, as applicable, on a *pro rata* and *pari passu* basis until the Outstanding Principal Balance of each Note is reduced to USD 1 (one U.S. Dollar) or, on the Final Payment Date, zero. The Adjusted Outstanding Principal Balance of the Notes will be adjusted automatically and interest shall not accrue on any Note if and for so long as the Adjusted Outstanding Principal Balance of such Note is USD 1 or less. Reductions to the Outstanding Principal Balance of the Notes may, in certain circumstances, be subsequently reinstated with interest. To the extent not previously paid or reduced, the aggregate Outstanding Principal Balance of, and accrued and unpaid interest on, the Notes will be due and payable on the Final Maturity Date.

On the Closing Date, the proceeds of the issue of the Notes will be deposited by the Issuer into the Principal Collections Account. The Swap Counterparty may, at any time and from time to time, direct the Issuer to terminate any then current Collateral Investment and to invest the Collateral Principal Proceeds in the Alternative Collateral Investment.

Collateral Principal Proceeds will be applied from time to time to pay any Cash Settlement Amounts or any Interest Deduction Amount that may be payable under the Credit Default Swap and, to the extent not so applied, will be used to redeem the Notes as described below. If, as at the Notes Termination Date, the Collateral Principal Proceeds consist of Repo Collateral and any Note remains outstanding on such date, the balance of the Repo Proceeds shall be deposited into the Principal Collections Account and applied in paying any Cash Settlement Amount that may fall due thereafter or, to the extent not so required, in redemption of the Notes.

Swap Premium, Collateral Income Proceeds and Collateral Principal Proceeds will, from time to time, be applied, subject to the priority of payments and security provisions as described herein, to discharge the Issuer's payment obligations under the Notes, the Credit Default Swap and the other Transaction Documents.

General Risk Factors

Investor Considerations

The Notes are complex securities and prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Notes and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition.

Suitability

The Notes are not a suitable investment for all investors. Each investor should ensure that they understand the individual legal, tax, accounting, regulatory and financial implications of an investment in the Notes for such investor. Investors may not rely on the Account Bank, the Administrator, the Agents, the Calculation Agent, the Corporate Services Provider, the Credit Event Monitor Agent, the Issuer, the Lead Manager, the Arranger, the Note Trustee, the Security Trustee, the Swap Counterparty or the Repo Counterparty (together, the "**Transaction Participants**") in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to in this risk factors section of this Prospectus. Neither the Issuer nor any of the other Transaction Participants is acting as an investment adviser, or assumes any fiduciary obligation, to any investor in the Notes. No Transaction Participant assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any Reference Entity or any other Transaction Participant.

Synthetic Credit Risk

The repayment of principal of and, due to the potential reduction in the principal amount, payment of interest on the Notes is conditional upon the performance of the Reference Entities and Reference Obligations as described herein.

Due to the credit-linked nature of the Notes, investors have a credit exposure to the Reference Entities and the Reference Obligations thereof via the Credit Default Swap. Defaults, valuations and actual or potential losses in respect of the Reference Obligations referenced under the Credit Default Swap may affect the extent of losses suffered by Noteholders.

Credit exposure via credit derivative transactions (as in the case of credit-linked notes or synthetic collateralised debt obligations) may involve risks that are additional to those which would occur if investors had a direct holding of the Reference Obligations of such Reference Entities. The terms of the Credit Default Swap include, in particular, credit events defined therein and a loss calculation methodology which may result in a different (and potentially greater) risk of loss and (if the measure of loss cannot initially be measured by reference to ultimate recoveries) a different (and potentially greater) measure of loss as compared to the risk of actual default and ultimate recovery applicable to an actual holding in the relevant Reference Obligations.

A Cash Settlement Amount may become due and payable if Credit Events occur with respect to Reference Entities (or one or more obligations thereof). Following the occurrence of a Credit Event in respect of a Reference Entity, if the Swap Counterparty elects to make a credit protection claim then, subject to the satisfaction of the Conditions to Settlement (other than the Notice of Accountant Certification), the Calculation Agent will determine a Loss Amount in respect of the Reference Obligation(s) of the relevant Reference Entity. To the extent that the Adjusted Cumulative Loss Amount is greater than the Threshold Amount, the Issuer will be obliged to pay one or more Cash Settlement Amounts to the Swap Counterparty following the satisfaction of the Conditions to Settlement.

The Issuer may be liable to make further credit protection payments to the Swap Counterparty in respect of the Credit Default Swap on the Payment Date following each determination of an Additional Loss Payment. See "*Description of the Credit Default Swap — Settlement Provisions – Additional Payments*".

Upon the occurrence of each Event Determination Date under the Credit Default Swap and/or any Payment Date upon which the Issuer is obliged to pay an Additional Loss Payment to the Swap Counterparty, subject to the terms of the Conditions and taking into account, among other things, the Threshold Amount, the Outstanding Principal Balance of the Notes will be reduced on such Event Determination Date or Payment Date, as applicable, without any commensurate payment to Noteholders, by the amount of the relevant Defaulted Notional Amount or Additional Loss Payment, as applicable, on a *pro rata* and *pari passu* basis until the Outstanding Principal Balance of each Note is reduced to USD 1 (one U.S. Dollar) or, on the Final Payment Date, zero. The Adjusted Outstanding Principal Balance of the Notes will be adjusted automatically and interest shall not accrue on any Note if and for so long as the Adjusted Outstanding Principal Balance of such Note is USD 1 or less. Reductions to the Outstanding Principal Balance of the Notes may, in certain circumstances, be subsequently reinstated with interest. To the extent not previously paid or reduced, the aggregate Outstanding Principal Balance of, and accrued and unpaid interest on, the Notes will be due and payable on the Final Maturity Date.

The occurrence of an Event Determination Date under the Credit Default Swap may, therefore, lead to a reduction of the Outstanding Principal Balance of the Notes and thereby a reduction in the amount of principal and, due to a related reduction in the Adjusted Outstanding Principal Balance, interest payable to the Noteholders and therefore the Noteholders will be exposed to the risk of loss upon a Credit Event occurring in respect of any Reference Entity. See also "*Risk Factors —Interest Entitlement*".

Reference Entities

The Reference Entities and Reference Obligations referenced in the Credit Default Swap will be specified in the Reference Registry. The Reference Portfolio as of the Closing Date will be as set out in the Reference Registry, certain characteristics of which are set out in the section entitled "*Description of the Initial Reference Portfolio*". The Reference Registry will not disclose the names of the Reference Entities or the Reference Obligations (and will not contain information that the Swap Counterparty is legally constrained from disclosing under applicable banking secrecy laws).

Limited Provision of Information about Reference Entities

None of the Issuer, the Note Trustee, the Security Trustee or any Noteholder will have the right to inspect any records of the Swap Counterparty or any affiliate thereof.

None of the Issuer, the Note Trustee, the Security Trustee or the Noteholders will have the right to know the identities of the Reference Entities or, except as specifically required under the terms of the Credit Default Swap, to receive any information regarding any obligation of any Reference Entity. Other than in respect of the reports and notices to be delivered under the terms of the Credit Default Swap (as described in "*Description of the Credit Default Swap — Reference Portfolio – Reporting*"), the Swap Counterparty will have no obligation to keep the Issuer, the Security Trustee, the Note Trustee or the Noteholders informed as to matters arising in relation to any Reference Entity or any

Obligation, including whether or not circumstances exist under which there is a possibility of the occurrence of a Credit Event.

None of the Security Trustee, the Note Trustee or the Issuer is obliged to monitor Reductions, Cancellations or Replenishments with respect to the Reference Portfolio.

The Reference Entities and the related Reference Obligations comprising the Reference Portfolio may change from time to time in accordance with the terms of the Credit Default Swap.

Reference Obligations

A Cash Settlement Amount will be determined in respect of Reference Entities in respect of which Credit Events have occurred (and the Conditions to Settlement have been satisfied) by reference to the recovery, sale or valuation (which may be an internal valuation by the Relevant Lender) of one or more Reference Obligations thereof and, in the case of Restructuring Credit Events, by reference to the amount of the value adjustment to the profit and loss account of the Relevant Lender in respect of the forgiveness or postponement of principal (but not interest or fees) relating to the Restructured Reference Obligations.

Reference Obligations will be designated by the Swap Counterparty on or before the Closing Date in respect of each Reference Entity and identified in the Reference Registry. The Reference Obligations will be required to be LOC Reimbursement Obligations and certain claims, including partial claims and contingent claims in respect of principal, interest and fees (if any) arising from loans (including syndicated loans), revolving credit facilities and other payment claims (but excluding claims in respect of Letters of Credit other than LOC Reimbursement Obligations) to corporate entities (including financial institutions and certain other entities) including any obligations that are guaranteed by a Reference Obligation Guarantor. See "*Description of the Credit Default Swap — Reference Portfolio – Reference Obligations*".

In selecting Reference Obligations, the Swap Counterparty shall have regard to its own interests and not those of any other person.

Diversification Risk

The risk of Credit Events occurring with respect to the Reference Portfolio and the amount and extent of any Cash Settlement Amounts relating thereto may be adversely affected by the concentration of exposure within the Reference Portfolio to any one area, country, obligor or industry. See "*Eligibility Criteria*" and "*Replenishment Conditions*".

Industry Sector Concentration of the Reference Entities

Although the Reference Entities are involved in a range of different industry sectors, there may be either a higher concentration of Reference Entities in a particular industry or correlation between the creditworthiness of Reference Entities in different but related industry sectors. Deterioration in the economic conditions in any such industry sector or sectors may adversely affect the ability of the Reference Entities to pay the Reference Obligations and, therefore, could increase the risk of Credit Events occurring in relation to the related Reference Obligations. A greater concentration of Reference Entities in particular industry sectors may, therefore, result in a greater risk of loss than if such concentration had not been present.

Investors in the Notes should be aware that, although the Replenishment Conditions include limits on the concentration of Reference Obligation Notional Amounts in particular Moody's Industry Groups and S&P Industry Groups, the relative size of the Tranche Notional Amount as compared with the concentration limits may mean that investors still have significant exposure to particular Moody's Industry Groups and S&P Industry Groups.

Geographical Concentration of the Reference Entities

The Reference Entities may be located in, or may have material affiliates with a principal place of business in a Qualifying Country. "**Qualifying Country**" means each of Argentina, Australia, Bahrain, Bangladesh, Bermuda, Brazil, British Virgin Islands, Cameroon, Cayman Islands, Channel Islands, China, Colombia, Cote d'Ivoire, Egypt, Finland, France, Germany, Ghana, Hong Kong, India, Indonesia, Italy, Japan, Kenya, Kuwait, Luxembourg, Malaysia, Mauritius, Mexico, Netherlands, New Zealand, Nigeria, Oman, Pakistan, Panama, Peru, Philippines, Puerto Rico, Qatar, Singapore, South Africa, South Korea, Spain, Switzerland, Taiwan, Thailand, Turkey, Uganda, the United Arab Emirates, the United Kingdom, the United States of America, Vietnam, Zambia and any other country with a minimum S&P foreign currency rating of B or Moody's foreign currency rating of B2.

Any deterioration in the economic conditions in the countries in which the Reference Entities are located that causes an adverse effect on the ability of the Reference Entities to repay their obligations could increase the risk of losses on the Reference Obligations. A concentration of Reference Entities in such countries may therefore result in a greater risk of loss than if such concentration had not been present. Investors in the Notes should be aware that, although the Replenishment Conditions include limits on the concentration of Reference Obligation Notional Amounts in particular Countries of Domicile, the relative size of the Tranche Notional Amount as compared with the concentration limits may mean that investors still have significant exposure to particular Countries of Domicile. See

"*Description of the Initial Reference Portfolio*" for a description of the countries included in the Reference Portfolio as at the Initial Portfolio Composition Date.

Specific Risks Associated with Emerging Market Reference Entities

As described above, many Reference Entities comprising the Reference Portfolio are located in emerging market countries. There may be a high degree of uncertainty and volatility associated with obligors from emerging market countries and the performance of and payment under the Notes may be directly impacted by certain political, economic and legal events and conditions.

Obligors from emerging markets countries may be affected by special risks related to regional economic conditions and sovereign risks which are not normally associated with obligors located in developed countries, including: (1) risks associated with political, economic and social uncertainty, including the risks of nationalisation or expropriation of assets, diplomatic developments, war and revolution; (2) fluctuations of currency exchange rates (i.e., the cost of converting foreign currency into U.S. Dollars); (3) lower levels of disclosure and regulation in foreign securities markets than in similar markets in developed countries; (4) confiscatory taxation, taxation of income earned in foreign nations or other taxes or restrictions imposed with respect to investment in foreign nations; (5) economic and political risks, including potential foreign exchange controls, interest rate controls and other protectionist measures; and (6) uncertainties as to the status, interpretation, application and enforcement of laws, including insolvency and bankruptcy laws. In addition, there is often less publicly available information about obligors from emerging market countries which may, among other things, have an effect on the assessment of the credit risks associated with a particular Reference Entity. Obligors in emerging market countries may not generally be subject to uniform accounting, auditing and financial reporting standards and auditing practices and requirements may not be comparable to those applicable to obligors located in developed countries.

The economies of individual emerging market countries may differ favourably or unfavourably from the economies of developed countries in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. Governments of many emerging markets countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In some cases, the government owns or controls many companies, including some of the largest in the country. Accordingly, government actions could have a significant effect on economic conditions in an emerging market country and on market conditions generally.

It may also be difficult to obtain and enforce a judgment relating to emerging markets debt in the jurisdiction in which the majority of the assets of an obligor is located. As a result, it may be difficult and time consuming to take control of or liquidate the collateral securing Reference Obligations.

Extension of Credit Protection Term

If, on the Credit Protection Term End Date, there exists a Reference Obligation of a Reference Entity in respect of which a Potential Failure to Pay has occurred but the Event Determination Date in respect thereof has not occurred (the Reference Obligation in respect of such Reference Entity each being a Potential Defaulted Reference Obligation), the Swap Counterparty may deliver to the Issuer (with a copy to the Calculation Agent, the Administrator and the Note Trustee), on or before the Credit Protection Term End Date, a Potential Failure to Pay Extension Notice in respect of such Reference Obligation.

The delivery by the Swap Counterparty of a Potential Failure to Pay Extension Notice with respect to a Reference Obligation will have the effect of extending the Notice Delivery Period in respect of the relevant Reference Entity to the date falling 10 Business Days after the Grace Period Extension Date in respect of such Potential Defaulted Reference Obligation. The Issuer may be liable to pay a Cash Settlement Amount determined to be due to the Swap Counterparty under the Credit Default Swap if a Credit Event occurs thereunder on or prior to such Grace Period Extension Date.

Valuation of Credit Protection Claims

Calculation of Cash Settlement Amount

Following the occurrence of a Credit Event with respect to a Reference Entity, the Swap Counterparty may elect to make a credit protection claim in respect of that Reference Entity. If the Swap Counterparty elects to make a credit protection claim then, subject to the satisfaction of certain Conditions to Settlement, the Calculation Agent will determine a Loss Amount in respect of the Reference Obligation(s) of the relevant Reference Entity. To the extent that the Adjusted Cumulative Loss Amount is greater than the Threshold Amount, the Issuer will be obliged to pay one or more Cash Settlement Amounts to the Swap Counterparty following the satisfaction of the Conditions to Settlement. The Loss Amount will be determined by reference to recoveries upon a work-out or sale of the Reference Obligation(s) of the relevant Reference Entity (and, in the case of Restructuring Credit Events, by reference to the amount of the value adjustment to the profit and loss account of the Relevant Lender in respect of the forgiveness or postponement of principal (but not interest or fees) relating to the Restructured Reference Obligations) or, in the event that recoveries cannot be determined prior to the Workout Cut-off Date, by reference to market quotations or an amount determined by the Swap Counterparty or the Calculation Agent as described below.

Liquidity and Volatility of Reference Obligations

The Loss Amount will be determined by reference to recoveries upon a work-out or sale of the Reference Obligation(s) of the relevant Reference Entity. In the event that recoveries are not ascertained prior to the Workout Cut-off Date, the Loss Amount will be determined by the Calculation Agent by reference to: (i) if the Quotation Amount is equal to or less than USD 5,000,000, the Financial Provision Fallback Price; or (ii) if the Quotation Amount is greater than USD 5,000,000, the higher of (i) the sum of (A) the Fallback Price multiplied by the Inverse Recoveries Percentage and (B) the Recoveries Percentage; and (ii) the Financial Provision Fallback Price.

The Fallback Price is determined by reference to a market valuation procedure (including obtaining quotations) pursuant to which the Calculation Agent will attempt to obtain a market value for each relevant Reference Obligation of a Reference Entity in relation to which a credit protection claim has been made. There may be a limited market or absence of a market for the Reference Obligations thereof. The value of bid quotations (and consequently any Cash Settlement Amount determined) may be affected by factors other than the occurrence of a Credit Event, including the amount of the obligation in respect of which the bid is given, the number and nature of dealers from which bids are sought, the number of attempts made to elicit bids, the amount of time between the occurrence of a Credit Event and the request for bids, as well as general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Investors should be aware that in the case where the Calculation Agent is unable to obtain any firm quotation for the relevant Reference Obligation from dealers on or before the Initial Valuation Period End Date, the Fallback Price will be zero.

"**Financial Provision Fallback Price**" means, in respect of any Defaulted Reference Obligation, (i) if the Relevant Lender is an SCB Entity, a percentage equal to one *minus* the Financial Provision Rate; and (ii) if the Relevant Lender is not an SCB Entity, a percentage determined by the Calculation Agent in a commercially reasonable manner as being an estimate of the value of the principal amount of the relevant Reference Obligation, expressed as a percentage of the Quotation Amount and determined as of the Workout Cut-off Date. The "**Financial Provision Rate**" means the financial provision (in respect of principal) determined by the Relevant Lender divided by the Total Exposure of the Relevant Lender in respect of such Defaulted Reference Obligation, in each case, determined as of the Workout Cut-off Date. A wide degree of discretion is therefore conferred upon SCB (or the Relevant Lender) and, if applicable, the Calculation Agent, in determining the Financial Provision Rate and the Financial Provision Fallback Price. Investors should be aware that a high Financial Provision Rate (or a low Financial Provision Fallback Price) may increase the Loss Amount and the Cash Settlement Amount and thereby reduce the amount of principal (and interest) payable on the Notes to investors.

Investors in the Notes should be aware that the foregoing provisions will affect the calculation of the Loss Amount and the Cash Settlement Amount and therefore may affect the amount of principal (and interest) payable on the Notes to investors. See "*Description of the Credit Default Swap – Settlement Provisions – Loss Determination*" and "*Market for Loans and Loan-related Exposures*".

No Loss Required

The Issuer's obligation to pay any Cash Settlement Amount exists regardless of whether the Swap Counterparty suffers a loss or is exposed to the risk of loss following the occurrence of a Credit Event, and regardless of whether it has any legal or beneficial interest in any obligations of any Reference Entity (including the Reference Obligation(s) of such Reference Entity) or any economic risk in respect thereof.

No Legal or Beneficial Interest in Obligations of Reference Entities or Reference Obligations

Under the terms of the Credit Default Swap, the Issuer will have a contractual relationship only with the Swap Counterparty and not with any Reference Entity. The Credit Default Swap does not constitute a purchase or other acquisition or assignment of any interest in any obligation of any Reference Entity. Accordingly, none of the Issuer, the Note Trustee, the Security Trustee or any other Secured Party will have any recourse against the obligor and/or guarantor of any Reference Obligation (or any other credit support provided in relation thereto). The Issuer will have no right directly to enforce compliance by the obligor and/or guarantor of a Reference Obligation with the terms of a Reference Obligation or any rights of set-off against the obligor and/or guarantor of a Reference Obligation or any voting rights with respect to any Reference Obligation. The Issuer will not directly benefit from any underlying assets or enhancements supporting a Reference Obligation and will not have the benefits of any remedies that would normally be available to a holder of a Reference Obligation.

None of the Issuer, the Administrator, the Note Trustee, the Security Trustee, the Lead Manager or the Arranger has undertaken any legal due diligence in respect of the Reference Portfolio, the Reference Entities or the terms of any Reference Obligation.

Save as described under "*Description of the Credit Default Swap — Settlement Provisions – Late Receipts, Erroneous Payments and Additional Payments*", the Swap Counterparty will not be obliged to account for any payments or amounts that a Relevant Lender may receive in respect of any Reference Obligation.

Replenishment

The Initial Portfolio Notional Amount for the Reference Portfolio is USD 1,500,000,000.

As Reductions (as described under "*Description of the Credit Default Swap — Reference Portfolio – Reductions*") occur or as recoveries are made, in each case, with respect to the Reference Portfolio, the Swap Counterparty will have the right, during the Replenishment Period and subject to the satisfaction of the applicable Replenishment Conditions, to adjust the Reference Portfolio by adding Reference Obligations relating to existing Reference Entities, adding new Reference Entities and adding related Reference Obligations, or increasing the Reference Obligation Notional Amount of any Reference Obligation then comprising the Reference Portfolio, or any combination of the foregoing; *provided* that no Replenishment shall be permitted if other provisos set out in the first paragraph in the section headed "*Replenishment Conditions*" in this Prospectus are not complied with. Accordingly, the nature and extent of the risks assumed by the Issuer (and indirectly the Noteholders) will change over time and accordingly may do so in a manner adverse to the interests of the Issuer (and the Noteholders).

In making Replenishments, Reductions or Cancellations, the Swap Counterparty shall have regard to its own interests and not those of any other person. The Swap Counterparty will not be obliged to remove a Reference Obligation from the Reference Portfolio if either it or the relevant Reference Entity falls out of compliance with the Eligibility Criteria after the inclusion of such Reference Obligation in the Reference Portfolio.

Resets of Non-U.S. Dollar Reference Obligations

The Swap Counterparty may reset the Reference Obligation Notional Amount of Non-U.S. Dollar Reference Obligations (excluding Reference Obligations in respect of which a Credit Event has occurred) based on movements in the exchange rate between U.S. Dollars and the currency of denomination of such Non-U.S. Dollar Reference Obligation if certain conditions, described below, are complied with. See "*Description of the Credit Default Swap — Reference Portfolio — Non-U.S. Dollar Reference Obligations and Resets*".

Reductions of the Reference Obligation Notional Amount of a Reference Obligation as a result of a reset increase the Swap Counterparty's ability to replenish the Reference Portfolio during the Replenishment Period. Therefore, the number of changes in the composition of the Reference Portfolio over time during the Replenishment Period may be greater than if the Reference Portfolio were denominated entirely in U.S. Dollars. See "*Description of the Credit Default Swap – Reference Portfolio — Non-U.S. Dollar Reference Obligations and Resets*".

Market for Loans and Loan-related Exposures

Pursuant to the Credit Default Swap, the Issuer (and indirectly the Noteholders) will be subject to exposure associated with Credit Events in relation to loans and loan-related claims. Purchasers of loans and loan-related claims currently include commercial banks, investment funds and investment banks. As the market develops, new loans may contain standardised documentation to facilitate loan trading which may improve market liquidity in relation to such new loans. There can be no assurance, however, that future levels of supply and demand in loan trading will provide an adequate degree of liquidity or that the current level of liquidity will continue. Because holders of such loans may be provided with confidential information relating to the borrower, the unique and customised nature of the loan agreement and the private syndication of the loan, loans are not purchased or sold as easily as publicly traded securities are purchased or sold. In addition, historically the trading volume in the loan market has been small relative to other debt markets. There can be no assurance in this regard that any such quotations or firm bids will be available at the relevant time, or that any such quotations or bids that are available will not be unfavourable to the Issuer and, ultimately, the Noteholders.

Reliance on Administration and Collection Procedures

Administration and Collection Policies

The SCB Servicers, where applicable, will carry out the administration, collection and enforcement of the Reference Obligations in accordance with the Servicing Principles as described in "*Description of the Credit Default Swap — Reference Portfolio – Servicing*".

For syndicated Reference Obligations for which the Servicer is not an SCB Entity, the Servicing Agent Bank (or any agent bank duly appointed under the documentation governing such Reference Obligation) will carry out the administration, collection and enforcement of such syndicated Reference Obligations, including enforcement of any security granted in respect thereto, in accordance with the servicing requirements of the documentation governing the relevant Reference Obligation and also to a material degree in accordance with their own credit and collection policies. Any of SCB and its affiliates (collectively, the "**SCB Group**") that hold syndicated Reference Obligations will have only limited means under the documentation governing the relevant Reference Obligation to influence the servicing of the Reference Obligations by the Servicing Agent Banks (or, any agent bank, as the case may be). In some cases, the applicable servicing requirements may be changed by decision of the syndicate banks, without the consent of any relevant entity within the SCB Group that may be holding the syndicated Reference Obligation.

Accordingly, the Noteholders are relying on the business judgment and practices of the SCB Servicers, the Servicing Agent Banks and any other agent bank in administering the Reference Obligations, enforcing claims against Reference Entities (including enforcement of any security granted in respect thereto) and also, in the case of Reference Obligations serviced by the Servicing Agent Bank, on decisions of a majority of the syndicate banks.

Collateral Allocation Procedures

Reference Obligations may from time to time be secured by Reference Collateral.

In some cases, only a portion of the proceeds from the relevant Reference Collateral will be allocated to the relevant Reference Obligation(s); such portion may change from time to time as the claims of the Relevant Lender (or any others as may be relevant) secured by the Reference Collateral Pool may be redeemed and new claims secured by such Reference Collateral Pool created.

The SCB Servicer may in certain circumstances agree to the release by the Relevant Lender of any Reference Collateral.

In the event that the Reference Entity defaults on a Reference Obligation secured by Reference Collateral, the SCB Servicer is required to enforce the Reference Collateral in accordance with the then applicable Servicing Principles. However, there is no guarantee that the value of the portion of such Reference Collateral allocable to the Reference Obligation in the context of the enforcement, less external foreclosure costs, will fully cover the outstanding principal on the Reference Obligation.

The principles of the allocation of the proceeds from the Reference Collateral to the Reference Obligations are described under SCB's Credit and Collection Policy and Collateral Allocation Principles. See "*Reference Portfolio – Servicing*" under the "*Description of the Credit Default Swap*" and "*Collateral Allocation Principles*".

No Agency Relationship

The Swap Counterparty and/or its affiliates will not be (and will not be deemed to be acting as) the agent or trustee of the Issuer, the Security Trustee, the Note Trustee, the Noteholders or any other Secured Party in connection with the exercise of, or the failure to exercise, any of the rights or powers of the Swap Counterparty and/or its affiliates arising under or in connection with their respective holding, if any, of any obligation of any Reference Entity.

Dealings with respect to Reference Obligations of Reference Entities

Each of the Swap Counterparty, each other Transaction Participant and their respective affiliates may:

(a) deal in each Reference Obligation;

(b) accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with any Reference Entity, any affiliate of any Reference Entity, any other person or entity having obligations relating to any Reference Entity; and

(c) act with respect to transactions described in the preceding paragraphs in the same manner as if the Credit Default Swap and the Notes did not exist regardless of whether any such action might have an adverse effect (including, without limitation, any action which might constitute or give rise to a Credit Event) on any Reference Entity or the position of either party to the Credit Default Swap or the Notes or otherwise.

Such parties may accordingly derive revenues and profits from such activities without any duty to account to any person therefor.

Information Regarding the Reference Portfolio

No Investigation or Representations

No investigations, searches or other inquiries have been made by or on behalf of the Transaction Participants in respect of any Reference Entity or Reference Obligation and no representations or warranties have been or are given by the Issuer or any other Transaction Participant in respect thereof. No Transaction Participant will have any responsibility or duty to make any such investigations, to keep any such matters under review or to provide the Noteholders with any information in relation to such matters or to advise as to the attendant risks.

No further Information

The Issuer or any other Transaction Participant may acquire information with respect to a Reference Obligation, the obligor and/or guarantor of any Reference Obligation, or with respect to any other Transaction Participant that may be material in the context of the Notes and may or may not be publicly available or known. None of such persons shall be under any obligation to make such information available to Noteholders or otherwise save as expressly provided in the Transaction Documents.

Only Eligible Noteholders will receive Accountant's reports from the Swap Counterparty

The Swap Counterparty will only deliver the reports of the Accountant in respect of the Agreed Upon Procedures to a Noteholder which is an Eligible Noteholder. To become an Eligible Noteholder, the Noteholder must enter into arrangements with the Accountant (on terms acceptable to the Accountant) pursuant to which the Accountant

consents to the Swap Counterparty providing to such Noteholder copies of all reports produced by the Accountant in accordance with the Agreed Upon Procedures, and notify the Swap Counterparty that it has entered into such arrangements and provide the Swap Counterparty with evidence satisfactory to the Swap Counterparty of such arrangements.

Reductions and Replenishments deemed not to have occurred

Under the terms of the Credit Default Swap, if certain changes in the Reference Portfolio made pursuant to the provisions relating to Replenishments and Reductions result in the Reference Portfolio not complying with any Replenishment Condition (or, if applicable, has caused the degree of non-compliance thereof to worsen), in the case of a Replenishment, if any of the Reference Obligations added to the Reference Portfolio or each Reference Obligation in respect of which the Reference Obligation Notional Amount is increased does not comply with the Eligibility Criteria, such Replenishment or Reduction shall, subject to certain conditions being met, be deemed not to have occurred.

Features of the Notes

The amount of principal repayable in respect of the Notes at any time will be limited to the Outstanding Principal Balance of the Notes. The Outstanding Principal Balance of the Notes is credit-linked to the performance of the Reference Entities as described below. Noteholders will be exposed to the credit risks of the Reference Entities (and the Reference Obligations thereof) to the full extent of their investment in the Notes and must rely solely on Collateral Principal Proceeds, subject to the payment of Cash Settlement Amounts and certain prior ranking expenses, for the payment of the Outstanding Principal Balance of the Notes. The amount of principal repaid upon any redemption of the Notes may therefore be less than the amount invested and in certain cases may be zero.

Allocations of Loss

Upon the occurrence of each Event Determination Date under the Credit Default Swap and/or any Payment Date upon which the Issuer is obliged to pay an Additional Loss Payment to the Swap Counterparty, subject to the terms of the Conditions and taking into account, among other things, the Threshold Amount, the Outstanding Principal Balance of the Notes will be reduced on such Event Determination Date or Payment Date, as applicable, without any commensurate payment to Noteholders, by the amount of the relevant Defaulted Notional Amount or Additional Loss Payment, as applicable, on a *pro rata* and *pari passu* basis until the Outstanding Principal Balance of each Note is reduced to USD 1 (one U.S. Dollar) or, on the Final Payment Date, zero. The Adjusted Outstanding Principal Balance of the Notes will be adjusted automatically and interest shall not accrue on any Note if and for so long as the Adjusted Outstanding Principal Balance of such Note is USD 1 or less. Reductions to the Outstanding Principal Balance of the Notes may, in certain circumstances, be subsequently reinstated with interest. To the extent not previously paid or reduced, the aggregate Outstanding Principal Balance of, and accrued and unpaid interest on, the Notes will be due and payable on the Final Maturity Date.

Interest Entitlement

The amount of interest payable will be determined by reference to the Adjusted Outstanding Principal Balance of the Notes and reductions in the Adjusted Outstanding Principal Balance of the Notes will reduce the amount of such interest payable on the Notes accordingly. The Adjusted Outstanding Principal Balance of the Notes assumes a Loss Amount equal to 60 per cent. of the Reference Obligation Notional Amount will be determined in respect of each Defaulted Reference Obligation. To the extent that the Loss Amount actually determined is less than 60 per cent. of the Reference Obligation Notional Amount, following determination of the Loss Amount, a make-whole payment in respect of the interest on such excess amount will be made. To the extent that the Loss Amount actually determined is greater than 60 per cent. of the Reference Obligation Notional Amount, following determination of the Loss Amount, the Interest Amount in respect of the Notes on the next Interest Payment Date(s) will be reduced to account for the difference in the amount that was paid over the amount that would have been paid had the actual Loss Amount been determined on the Event Determination Date.

If any Notes remain outstanding on or after the Notes Termination Date, such Notes will continue to accrue interest at a rate of USD LIBOR *plus* 2 per cent. per annum only.

Interest payments due on the Notes will be funded by (a) Swap Premium payments made by the Swap Counterparty under the Credit Default Swap, (b) (during a Repo Existence Period) any Repo Premium payments made by the Repo Counterparty, and (c) interest earned on each of the Principal Collections Account and the Interest Collections Account.

Redemption

Redemption of the Notes

The date on which payment in full of principal on the Notes is scheduled to commence is the Scheduled Maturity Date.

However, payment of principal on the Notes may commence prior to the Scheduled Maturity Date as a result of (a) the determination of an Amortised Amount under the Credit Default Swap, (b) the occurrence of an Early Redemption Date (including a Tax Redemption Date or a Swap Optional Termination Date), or (c) the occurrence of an Enforcement Date.

To the extent not previously paid or reduced to zero, Notes will be redeemed in full on the Final Maturity Date.

To the extent that the Notes are redeemed prior to the Final Maturity Date, the holders of the Notes will bear the risk of reinvesting principal payments at a yield less than the yield on their Notes.

Deferred Redemption

Repayment of principal on the Notes on the Notes Termination Date may be deferred to the extent of the Issuer's potential liability for unsettled claims or potential claims pursuant to the terms of the Credit Default Swap.

If, as at the Scheduled Maturity Date, there exists a positive Maximum Cash Settlement Amount (in respect of any Cash Settlement Amount due or potentially due after such date), then the redemption of the Notes may be deferred to the extent that and until such Cash Settlement Amounts have been paid or, until the date on which the applicable Conditions to Settlement can no longer be satisfied.

Amortised Redemption

If, at any time after the Replenishment Period and during a relevant Amortisation Period, the Tranche Notional Amount under the Credit Default Swap has been reduced by one or more Writedown Amounts pursuant to the terms of the Credit Default Swap, the Issuer shall, on the immediately following Interest Payment Date, subject to any prior ranking claims in accordance with the applicable Order of Priority, apply the Principal Collections in an amount equal to the aggregate Amortised Amounts determined during such Amortisation Period (but only after the expiry of the Replenishment Period) and, to the extent of interest due, Interest Collections available for distribution on that date in or towards redemption of the Notes (together with any accrued but unpaid interest thereon) until the Outstanding Principal Balance of each Note is at the Minimum Balance.

Redemption of the Notes on and after the Notes Termination Date

On the Notes Termination Date and on each Redemption Date thereafter, the Issuer shall, subject to any prior ranking claims in accordance with the applicable Order of Priority, allocate and apply the Principal Collections in an amount equal to the Distributable Principal Amount for that date together with Interest Collections available for distribution on that date in or towards redemption of the Notes (together with any accrued but unpaid interest thereon) until the Outstanding Principal Balance of each Note is at the Minimum Balance.

On each Redemption Date (other than the Final Maturity Date) the amount of funds available for the payment of principal on the Notes will be limited to a Distributable Principal Amount equal to the aggregate Outstanding Principal Balance of the Notes on such date (after giving effect to any adjustments applicable thereto as a result of the occurrence of any Event Determination Date or as a result of any Additional Loss Payment to be paid by the Issuer on such date or any Reinstatement Amount to be applied thereto on such date or in the immediately preceding Interest Period but before giving effect to any adjustments applicable thereto as a result of any principal payments to be made on such date) *minus* the Payable Maximum Cash Settlement Amount (but for such purposes excluding the aggregate Defaulted Notional Amount of all Defaulted Reference Obligations and the aggregate Verified Loss Amount in respect of all Pending Liquidated Reference Obligations, in each case, used for determining such Payable Maximum Cash Settlement Amount). For so long as a positive Payable Maximum Cash Settlement Amount exists, the Notes or a portion thereof will remain outstanding.

Redemption upon Tax Redemption Event

Upon the occurrence of a Tax Redemption Event, the Issuer may, subject to certain conditions, designate any Interest Payment Date as the Tax Redemption Date on giving not less than 30 calendar days' and not more than 45 calendar days' irrevocable notice to the Noteholders. See "*Terms and Conditions of the Notes — Condition* 6.3 (*Designation of a Tax Redemption Date*)".

If the repayment of principal has not commenced prior to the Tax Redemption Date, the repayment of principal will commence in accordance with the provisions described herein on the Tax Redemption Date.

Redemption upon Swap Optional Termination Date

Upon the occurrence of a Clean-up Event or Regulatory Event, the Swap Counterparty may, subject to certain conditions, designate any Business Day as the Swap Optional Termination Date on giving at least (i) in the case of a Clean-up Event, 5 Business Days' prior written notice, or (ii) in the case of a Regulatory Event, 10 Business Days' prior written notice, to the Issuer (with a copy to the Calculation Agent, the Note Trustee and the Administrator). See "*Terms and Conditions of the Notes — Condition 6.4* (*Designation of a Swap Optional Termination Date*)".

The Credit Default Swap defines "**Regulatory Event**" to mean a material change in SCB's ability to reflect the full benefit of the Credit Default Swap or the transaction to which it relates as anticipated on the Closing Date to an extent which is material to the Swap Counterparty, as a result of an enactment of, or supplement or amendment to, or a change in, law, policy or official interpretation of any relevant regulations or as a result of any official communication, interpretation or determination made by any relevant regulatory authority, all as determined in the sole and reasonable opinion of the Swap Counterparty. Investors should be aware that the Swap Counterparty has considerable discretion in determining whether a Regulatory Event has occurred and, in making any such determination, it may consider not only the anticipated regulatory capital benefits of the Credit Default Swap but all other benefits of whatever nature. Given the range of factors that might interfere with SCB's ability to reflect the full benefit of the Credit Default Swap or the transaction to which it relates, investors should make their own evaluation of the likelihood of such an occurrence and the timing thereof.

If the repayment of principal has not commenced prior to the Swap Optional Termination Date, the repayment of principal will commence in accordance with the provisions described herein on the Swap Optional Termination Date.

Swap Acceleration Event

The occurrence of a Swap Acceleration Event under the Credit Default Swap will result in the occurrence of the Enforcement Date under Condition 10.3(c) (*Acceleration and Enforcement*) and the Notes will be redeemed as described below.

Enforcement and Note Trustee and Security Trustee Action

If an Event of Default occurs, then the Note Trustee may, at any time, and shall, if so directed in writing by an Extraordinary Resolution of the Noteholders, and subject, in each case, to it being indemnified and/or secured and/or prefunded to its satisfaction, deliver a Note Default Notice to the Issuer (with a copy to the Security Trustee and each Agent) declaring the Notes to be immediately due and payable.

A Swap Acceleration Event will occur upon the occurrence of an Early Termination Date as a result of a Swap Event of Default occurring in relation to either the Issuer or the Swap Counterparty under the Credit Default Swap. See "*Description of the Credit Default Swap — Early Termination Date*" for a description of the Early Termination Dates under the Credit Default Swap.

Subject to the terms of the Security Trust Deed, and subject to being indemnified and/or secured and/or prefunded to its satisfaction, the Security Trustee (1) shall upon receipt by it of a Note Default Notice, or (2) following the occurrence of an Enforcement Event, may, at its discretion, or shall, if so directed by the Instructing Party, and unless it has already given such notice at such time, give an Enforcement Notice to the Issuer (with a copy to the Note Trustee, the Administrator and each Agent) declaring either (A) that the Security has become enforceable pursuant to and upon the delivery of a Note Default Notice to the Issuer pursuant to the Security Trust Deed or (B) the Security to be enforceable following the occurrence of an Enforcement Event.

The Security shall become enforceable on the Enforcement Date. The Enforcement Date shall be the date which is the earliest of (1) the Note Default Notice Delivery Date, (2) the date that an Enforcement Notice is delivered to the Issuer pursuant to the Security Trust Deed and (3) the date upon which a Swap Acceleration Event occurs.

Upon an acceleration of the Notes as described above, no assurance can be given that, in such circumstances, the Notes will be redeemed in full (with any accrued interest thereon).

Pursuant to the Security Trust Deed, the Security Trustee shall not be required to take any action, step or proceeding or exercise any power or discretion under the Security Trust Deed or any other Transaction Document unless it has received written instructions with respect to such exercise from the Instructing Party. If the Instructing Party notifies the Security Trustee in writing that it does not consent to the taking of any action, step or proceeding or exercise of a discretion or power, then the Security Trustee shall not take any such action, step or proceeding or exercise such discretion or power and shall not incur any Liability to any person in so doing.

No Gross Up Provisions

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction, unless such withholding or deduction is required by law.

In that event, and *provided* that the Issuer has been specifically provided with funds by the Swap Counterparty (at the option of the Swap Counterparty) for such purpose and subject to certain exceptions described in the Conditions, the Issuer will pay such Additional Amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had become required. There can be no guarantee that the Swap Counterparty will elect to provide the Issuer with funds for such purpose.

If the Swap Counterparty elects not to pay such Additional Amounts the Issuer will not be obliged to pay any additional amounts to the Noteholders in respect of such withholding or deduction and will withhold or deduct from any such payments any amounts on account of tax where so required by law or any relevant taxing authority.

Limited Liquidity

There is currently no market for the Notes. Although the Lead Manager may make a market in the Notes, the Lead Manager is under no obligation to make a market in, or otherwise purchase, the Notes and, following the commencement of any market-making, may discontinue the same at any time. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes. Moreover, the limited scope of information available to the Issuer, the Note Trustee, the Security Trustee and the Noteholders regarding the Reference Entities, the Reference Obligations and the nature of any Credit Event, including uncertainty as to the extent of any reduction of the Outstanding Principal Balance of the Notes if a Credit Event has occurred but, at such time, any relevant Cash Settlement Amount has not been determined, may adversely affect the liquidity of the Notes. In addition, the Notes are subject to certain selling restrictions and can only be offered or sold to certain persons as described under "*Subscription and Sale*". The Notes are also subject to certain transfer restrictions and can only be transferred to certain transferees as described under "*Purchase and Transfer Restrictions*". Such restrictions on the transfer of Notes may further limit the liquidity of the Notes. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of the Notes.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. The Issuer cannot predict when these circumstances will change and if and when they do, whether conditions of general market illiquidity for the Notes and instruments similar to the Notes will return in the future.

Leveraged Investment

Under the Credit Default Swap, the Issuer will be obligated to pay Cash Settlement Amounts to the Swap Counterparty as a result of Credit Events occurring in respect of the Reference Obligations of the Reference Entities comprising the Reference Portfolio or, where applicable, in respect of such Reference Entities. The Credit Default Swap is a leveraged arrangement because the Issuer is (and therefore the Noteholders are) exposed to the risks on the entire Reference Portfolio (with an Initial Portfolio Notional Amount of USD 1,500,000,000) while the potential liability of the Issuer for Cash Settlement Amounts to the Swap Counterparty under the Credit Default Swap is limited to the Tranche Notional Amount under the Credit Default Swap, which is an amount initially equal to the aggregate Initial Principal Balance of the Notes of USD 105,000,000. The excess of the Initial Portfolio Notional Amount of the Reference Portfolio over the Tranche Notional Amount under the Credit Default Swap increases the risk of loss to the Issuer and the Noteholders. Accordingly, the Noteholders are subject to a higher risk of losing all or part of their investment.

Volatility

The market value of the Notes is likely to vary substantially over time and may be significantly less than par (or even zero) in certain circumstances.

Conflicts of Interest

Save as provided in the Conditions and/or the Security Trust Deed in connection with the exercise by it of any of its trusts, powers, authorities, duties, rights, obligations and discretions under the Security Trust Deed, while any amounts are or may become due by the Issuer to the Swap Counterparty under the Credit Default Swap, the Security Trustee is required to have regard *first*, to the interests of the Swap Counterparty (for so long as the Swap Counterparty is the Instructing Party), *second*, to the interests of the Noteholders and *finally*, to the interests of the other Secured Parties.

Book-Entry Interests

Unless and until Individual Note Certificates are issued, persons acquiring Notes will not be the legal owners or holders of such Notes but will have rights in their capacity as Participants in accordance with the rules and procedures of the relevant Clearing System and, in the case of Indirect Participants, their agreements with Direct Participants (such rights, "**Book-Entry Interests**"). After payment to the Common Depositary, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to Euroclear, Clearstream, Luxembourg, the Common Depositary or to holders of Book-Entry Interests. The nominee for the Common Depositary will be the registered holder and legal owner of the Notes for so long as the Notes are represented by a Global Note Certificate. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of the Common Depositary, Euroclear and Clearstream, Luxembourg and, if such person is an Indirect Participant in such entities, on the procedures of the Direct Participant through which such person holds its interest, to exercise any rights of Noteholders under the Note Trust Deed.

So long as the Notes are in global form, payments of principal and interest on, and other amounts due in respect of, Notes will be made to the Common Depositary. Upon receipt of any payment, Euroclear and Clearstream, Luxembourg will promptly credit Direct Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests, as shown on their records. The Issuer expects that payments by Direct Participants or Indirect Participants to owners of interests in Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in 'street name', and will be the responsibility of such Direct Participants or Indirect Participants. None of the Issuer, the Note Trustee, the Security Trustee, any Paying Agent or Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike holders of Individual Note Certificates, holders of the Book-Entry Interests will not have direct rights under the Note Trust Deed or Security Trust Deed to act upon solicitations of consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, Direct Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg (as the case may be) unless and until Individual Note Certificates are issued. There can be no assurance that the procedures to be implemented by Euroclear or Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Note Trust Deed or the Security Trust Deed.

Transaction Participant Risk

Reliance on Creditworthiness and Performance of Transaction Parties

The ability of the Issuer to meet its obligations under the Notes will be dependent, where applicable, upon the payment of all sums due from the Swap Counterparty under the Credit Default Swap, the payment by the Repo Counterparty of any sums payable under the relevant Repurchase Agreement (during any Repo Existence Period), the payment of all sums due under the Account Bank Agreement by the Account Bank and the payment by the Paying Agents of payments required pursuant to the Agency Agreement and upon the performance by all Transaction Participants of their respective obligations under the Transaction Documents.

Noteholders are exposed, among other things, to the creditworthiness of the Swap Counterparty, the Account Bank, the issuer(s) of the Repo Collateral and the Paying Agents.

None of the Transaction Participants (other than the Paying Agents and pursuant to that role only) is obliged to make payments to the Noteholders in respect of the Notes. None of the Issuer or any other Transaction Participant guarantees the value of the Notes at any time or is obliged to make good on any losses suffered as a result of Credit Events under the Credit Default Swap or otherwise.

Conflicts

Various potential and actual conflicts of interest may arise between the interests of the Noteholders, on the one hand, and the interests of any of the Transaction Participants, on the other hand, as a result of the various businesses and activities of the Transaction Participants, and none of such persons is required to resolve such conflicts of interest in favour of the Noteholders.

Roles of Transaction Participants

SCB and certain of its affiliates will be acting in a number of capacities in connection with the transactions described herein. SCB will be the Swap Counterparty, the Calculation Agent, the Account Bank and the Credit Event Monitor Agent under the Credit Default Swap.

In its role as the Calculation Agent under the Credit Default Swap, SCB will, among other things, determine any Cash Settlement Amounts to be paid to the Swap Counterparty.

The Bank of New York Mellon, London Branch will be the Principal Paying Agent, Agent Bank and Administrator. BNY Mellon Corporate Trustee Services Limited will be Security Trustee and Note Trustee. The Bank of New York Mellon (Luxembourg) S.A. will be the Registrar. Each of SCB, The Bank of New York Mellon, London Branch, BNY Mellon Corporate Trustee Services Limited, The Bank of New York Mellon (Luxembourg) S.A. and/or their respective affiliates, acting in such capacities in connection with such transactions, will have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and will not, by virtue of its or any of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each such capacity.

Other Business of the Swap Counterparty

The Swap Counterparty and its affiliates may engage in other business and furnish investment management, advisory and other types of services to other clients whose investment policies differ from those followed by the Swap Counterparty under the Credit Default Swap and from which they may derive revenues and profits in addition to the fees stated in the various Transaction Documents, without any duty to account to any person therefor. The Swap Counterparty may make recommendations to or effect transactions with other clients which may differ from those effected with respect to the Credit Default Swap.

Conflicts between the Swap Counterparty and the Noteholders

Under the Security Trust Deed, the Security Trustee will hold a security interest in the Charged Assets for the benefit of, among others, the Noteholders whose rights on an enforcement of the security interest will be subordinate to, the prior rights of, among others, the Swap Counterparty in respect of the Issuer's obligations to the Swap Counterparty under the Credit Default Swap (other than in respect of the Swap Termination Fee).

For the purposes of the right of Noteholders to vote (including, without limitation, the related right to attend any meeting) and the passing of any resolutions, in each case, in connection with any Reserved Matter, any Notes held by the Swap Counterparty or its Affiliates will be deemed not to remain outstanding. In all other cases (including a vote on a matter other than a Reserved Matter), such Notes will not be disregarded and the voting rights attaching to such Notes may be exercised by the Swap Counterparty or its Affiliate (as the case may be) in its absolute discretion.

Conflicts between the Operating Creditors and the Noteholders

Under the Security Trust Deed, the Security Trustee will hold a security interest in the Charged Assets for the benefit of, among others, the Noteholders whose rights on an enforcement of the security interest will be subordinate to the prior rights of, among others, the Operating Creditors in respect of the Issuer's obligations to the Operating Creditors under the Transaction Documents.

Security Trustee to take into account interests of Swap Counterparty

The Security Trustee will be obliged, in certain circumstances, to take into account the interests of the Swap Counterparty in taking any discretionary action or making any discretionary determination with respect to the Charged Assets in priority to the interests of the Noteholders. In certain circumstances the Security Trustee will, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, be obliged to act at the direction of the Swap Counterparty, and the Security Trustee may act with respect to certain matters relating to the Notes and the other Transaction Documents without regard to the interests of the Noteholders.

Consideration by SCB Servicer of the interests of the Issuer

If and to the extent that the Swap Counterparty or any of its Affiliates at any time owns any Reference Obligations in respect of which the Servicer is an SCB Servicer, the SCB Servicer will service, agree to the release of any Reference Collateral in respect of, or agree any payment rescheduling or debt restructuring in respect of, any such Reference Obligation in accordance with SCB's Credit and Collection Policy. None of the Issuer, the Note Trustee, the Security Trustee or the Noteholders has any right or power to compel the Swap Counterparty or any of its Affiliates to take or refrain from taking any action in respect of any Reference Obligations that it might own or control. The Swap Counterparty or its Affiliates may also be part of a syndicate in respect of any Reference Obligations they hold and may not therefore have control in respect of any such Reference Obligation. There is no obligation on the Swap Counterparty to retain all or any part of the Reference Obligations which it owns and may, subject to the terms of such Reference Obligations, freely transfer such Reference Obligations to any other entity. There is no obligation on the part of the Swap Counterparty to own all or any part of, or have any legal or beneficial interest in, the Reference Obligations or have any economic risk in respect thereof.

Nature of the Issuer's Obligations

Limited Funds Available to the Issuer to Pay Operating Expenses

The funds available to the Issuer to pay Expenses and certain fees and expenses of the Note Trustee and for payment of the Issuer's other accrued and unpaid administrative expenses are limited. In the event that such funds are not sufficient to pay such Expenses or those of the Note Trustee, the ability of the Issuer to operate effectively may be impaired, and it may not be able to defend or prosecute legal proceedings that may be brought against it or that it might otherwise bring to protect the interests of the Issuer.

Issuer's Third Party Litigation

The Issuer's investment activities subject it to the normal risks of becoming involved in litigation by third parties. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Issuer and would reduce the amounts available for distribution and the Issuer's net assets.

Limited Assets

The Issuer has no substantial assets or sources of revenue other than the Issuer's rights to or in the Charged Assets.

Operating History

The Issuer is a newly organised special purpose entity established for the sole purpose of carrying out the activities contemplated under the Transaction Documents and has no prior operating history. Accordingly, the Issuer has no performance history for a prospective investor to consider.

Limited Recourse and subordination of interest and principal on the Notes to certain expenses

The Notes will be limited recourse obligations of the Issuer, payable solely out of the Charged Assets subject to the Security provided by the Issuer to secure, among other things, the Notes.

On an enforcement of the Security granted by the Issuer in favour of the Security Trustee, the rights of the Noteholders to be paid amounts due under the Notes will be subordinate to, among others:

(a) the prior rights of the Note Trustee and the Security Trustee, any Receiver and the Operating Creditors to their respective Expenses (except, in the case of the Operating Creditors, Exceptional Expenses); and

(b) (other than in respect of the Swap Termination Fee) the prior rights of the Swap Counterparty in respect of any amounts owing or potentially owing by the Issuer to the Swap Counterparty under the Credit Default Swap.

If the proceeds of enforcement of the Security are insufficient to make payments on the Notes in full, no other assets will be available for payment of such deficiency and the obligations of the Issuer to pay such deficiency shall be extinguished.

Non Petition

None of the Noteholders, the Note Trustee, the Security Trustee or any other Secured Party shall be entitled to petition or take any other step for the winding-up, reorganisation, administration, liquidation, bankruptcy or insolvency or other analogous proceedings of the Issuer for so long as any Note is outstanding or for one year and a day after all amounts outstanding under the Transaction Documents have been paid in full.

Limited Liability of the Issuer; Regulation

The Issuer is an exempted company with limited liability incorporated under the Companies Law (2011 Revision) of the Cayman Islands. Because the Issuer is a Cayman Islands exempted company with limited liability and its directors reside in the Cayman Islands, it may not be possible for Noteholders to effect service of process outside the Cayman Islands on such persons or to enforce against them or against the Issuer in courts outside the Cayman Islands judgments predicated upon the provisions of laws of jurisdictions other than the Cayman Islands.

The Issuer believes that it is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of the Cayman Islands and will operate without supervision by any authority in any jurisdiction. There can be no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws. The taking of a contrary view by such regulatory authorities could have a material adverse effect on the Issuer or the Noteholders.

Miscellaneous

No Rating

The Notes are not rated by any credit rating agency.

Ratings of the Senior Credit Default Swap, the Repo Counterparty and the Custodian

Investors in the Notes should be aware that on or about the Closing Date Moody's Investors Service Hong Kong Ltd. is expected to issue public ratings on a hypothetical credit default swap (the "**Senior CDS**") between the Swap Counterparty and Standard Chartered Bank (Hong Kong) Limited (the "**Senior Credit Protection Seller**") pursuant to which the Senior Credit Protection Seller will provide credit protection against the occurrence of Credit Events in the Reference Portfolio. The ratings are primarily based on the credit quality and diversity of the Reference Portfolio and the structural features of the transaction. Investors should note that the Senior CDS is a hypothetical transaction only, meaning that the Swap Counterparty and the Senior Credit Protection Seller have not executed (and do not intend to execute) the transaction. Accordingly, the Senior CDS will not represent legally enforceable obligations of the Swap Counterparty or the Senior Credit Protection Seller. The relevant hypothetical terms of the Senior CDS will be materially similar to those of the Credit Default Swap except that it will be divided into four tranches: A tranche, B tranche, C tranche and D tranche, and each of these tranches will be rated by Moody's Investors Service Hong Kong Ltd. The A tranche will have an attachment point of USD 270,000,000 and a detachment point of USD

315,000,000. The B tranche will have an attachment point of USD 225,000,000 and a detachment point of USD 270,000,000. The C tranche will have an attachment point of USD 195,000,000 and a detachment point of USD 225,000,000. The D tranche will have an attachment point of USD 120,000,000 and a detachment point of USD 195,000,000. The eligibility criteria and replenishment conditions for reference entities and reference obligations referenced by the Senior CDS are the same as the Eligibility Criteria and Replenishment Conditions in respect of the Credit Default Swap and it is expected that the composition of the reference portfolio for the Senior CDS will be the same as the Reference Portfolio for the Credit Default Swap. It is expected that Moody's Investors Service Hong Kong Ltd. will assign an Aaa rating to the A tranche; an A1 rating to the B tranche, an A3 rating to the C tranche and a Baa1 rating to the D tranche. Investors should note that although ratings are expected to be assigned to the Senior CDS by Moody's Investors Service Hong Kong Ltd., the Senior CDS is an unenforceable hypothetical transaction and neither the Credit Default Swap nor the Notes will be rated by Moody's Investors Service Hong Kong Ltd. or any other credit rating agency. Investors should not infer that any rating assigned by Moody's Investors Service Hong Kong Ltd. from time to time to the Senior CDS is indicative of the rating that Moody's Investors Service Hong Kong Ltd. (or any other rating agency) would assign to the Credit Default Swap or the Notes if they were to be rated. Although the reference portfolios for both the Senior CDS and the Credit Default Swap are expected to be the same, the Senior CDS references more senior risk tranches than the Credit Default Swap and, if the Notes were to be rated, the rating of the Notes may also be influenced by other factors.

Moody's Investors Service Hong Kong Ltd. is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). The ratings have been endorsed by Moody's Investors Service Ltd. in accordance with the CRA Regulation. Moody's Investors Service Ltd. is established in the European Union and registered under the CRA Regulation. The European Securities Markets Authority has indicated that ratings issued in Hong Kong which have been endorsed by Moody's Investors Service Ltd. may be used in the European Union by the relevant market participants.

As at the date of this Prospectus, neither the identity of the Repo Counterparty nor that of the Custodian is known. Therefore, it is not possible to confirm the identity of the relevant credit rating agencies that will be issuing the Required Custodian Rating or the Required Repo CP Rating. As a result, as at the date of this Prospectus, it is not known whether the relevant credit rating agencies will be established in the European Union and registered under the CRA Regulation.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Description of the Transaction Documents

The descriptions of the Account Bank Agreement, the Administration and Cash Management Agreement, the Agency Agreement, the Collateral Switch Agreement (including the Approved Form Custody Agreement and Approved Form Repurchase Agreement as set out therein), the Corporate Services Agreement, the Registered Office Agreement, the Credit Default Swap, the Notes, the Note Trust Deed, the Security Documents, and the Subscription Agreement contained in this Prospectus are summaries only and Noteholders are bound by, and are deemed to have notice of, all the provisions of such documents.

EU Savings Directive

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

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

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

Implementation of and/or changes to the Basel II framework may affect the capital requirements and/or the liquidity associated with a holding of the Notes for certain investors

In 1988, the Basel Committee on Banking Supervision (the "**Basel Committee**") adopted capital guidelines that explicitly link the relationship between a bank's capital and its credit risks. In June 2006 the Basel Committee finalised and published new risk-adjusted capital guidelines ("**Basel II**"). Basel II includes the application of risk-weighting which depends upon, amongst other factors, the external or, in some circumstances and subject to approval of supervisory authorities, internal credit rating of the counterparty. The revised requirements also include allocation of risk capital in relation to operational risk and supervisory review of the process of evaluating risk measurement and capital ratios.

Basel II has not been fully implemented in all participating jurisdictions. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework. The Basel II framework is implemented in the European Union by the Capital Requirements Directive. Certain amendments have been made to the Capital Requirements Directive, including by Directive 2010/76/EU (the so-called "**CRD III**"), which was required to be implemented by Member States by the end of 2011 and introduced (amongst other things) higher capital requirements for certain trading book positions and re-securitisation positions.

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as "**Basel III**") and on 1 June 2011 issued its final guidance, which envisages a substantial strengthening of existing capital rules, including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards and a minimum leverage ratio for financial institutions. In particular, the changes include, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The Basel Committee is also considering introducing additional capital requirements for systemically important institutions from 2016. The changes approved by the Basel Committee may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

The European authorities support the work of the Basel Committee on the approved changes in general and, on 20 July 2011, the European Commission adopted a legislative package of proposals (known as "**CRD IV**") to implement the changes through the replacement of the existing Capital Requirements Directive with a new Directive and Regulation. As with Basel III, the proposals contemplate the entry into force of the new legislation from January 2013, with full implementation by January 2019; however the proposals allow individual Member States to implement the stricter definition and/or level of capital more quickly than is envisaged under Basel III.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Impact of regulatory reform is not clear

Various efforts are underway to legislate and implement changes in banking regulation (collectively, "**Regulatory Reform**"). These include broad-based, international efforts around capital (for example, Basel III, which is discussed at "*Risk Factors — Implementation of and/or changes to the Basel II framework may affect the capital requirements and/or the liquidity associated with a holding of the Notes for certain investors*" above) and more localised efforts around permitted banking business and remuneration (for example, US Dodd-Frank Wall Street Reform and Consumer Protection Act, and the current work by the UK Independent Banking Commission). Also, local regulators will continue their effort around specific local policy objectives, some of which may have extraterritorial impact (for example, continued development of the US sanctions regime), and some of which could have more local impact designed to develop or protect markets. It is premature to be able to form conclusive assessments on the impact of Regulatory Reform on the performance of the Reference Obligations, or, more broadly, on the permitted structure of banks in the short to medium term future, which could impact the type of business conducted by SCB in general and SCB's financial condition or results of operations. This could have either positive or negative impact as regards the risk composition of business that SCB as Swap Counterparty is permitted to conduct and SCB may incur significant costs as a result of any change in its composition of business. Given the continuing nature of these efforts, investors should consult their own advisers in assessing the potential impact of Regulatory Reform on a decision to acquire the Notes.

Article 122a of the Capital Requirements Directive; decreased liquidity in respect of the Notes

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in

securitisation positions and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Lead Manager or the Arranger makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

Investors should be aware of Article 122a of Directive 2006/48/EC (as amended). In general, Article 122a restricts an EEA regulated credit institution (including its consolidated entities) from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the relevant credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. Article 122a also requires a relevant investor to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a may result in the imposition of a penal capital charge on the notes acquired by the relevant investor. It should be noted that EEA states may implement Article 122a (and related provisions) differently.

Neither SCB nor any other entity has committed to retain a material net economic interest in the transaction in accordance with Article 122a. As a result, an EEA regulated credit institution (and any other entity required to comply with Article 122a or any other similar requirements and/or any corresponding national implementing measures) seeking to invest in the Notes (on issue or at any time thereafter) will be unable to satisfy the requirements of Article 122a in respect of such investment. It should be noted that similar requirements to those set out in Article 122a are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) in the future. Article 122a and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

If at a later date SCB commits to retain a material net economic interest in the transaction in accordance with Article 122a or any other similar requirements which may apply at such time in respect of any EU regulated investor, a notice shall be made to the Noteholders setting out, without limitation, the manner in which the material net economic interest is retained and such other information as SCB considers relevant. In such case, each investor will be required to independently assess and determine whether Article 122a and any corresponding local implementing rules which may be relevant have been complied with and none of the Issuer or SCB makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

In general, each prospective investor should consider its regulatory position and obtain any necessary advice in relation to any potential investment in the Notes prior to making any such investment.

ERISA Considerations

Each purchaser or transferee of a Note or any interest therein will be deemed to represent and warrant that during the period such purchaser or transferee holds any interest in such Note, that (i) it is not, and is not acting on behalf of, a Benefit Plan Investor or a governmental plan, foreign plan or church plan subject to any federal, state, foreign or local law that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**") or (ii) it is a plan subject to Similar Law and its acquisition, holding and disposition of such Notes will not constitute or otherwise result in a non-exempt prohibited transaction or another violation of Similar Law. See "*Certain ERISA And Other Considerations*" below.

Central Bank Considerations

This Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that any such listing will be obtained or, if obtained, will be maintained.

UK Banking Act 2009

The Banking Act 2009 (the "**Banking Act**"), which came into effect on 21 February 2009, includes (amongst other things) provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of a UK bank or building society (such as the Arranger, the Lead Manager, the Swap Counterparty and the Account Bank). In particular, in respect of UK banks, such tools include share and property transfer powers (including powers for partial property transfers), certain ancillary powers (including powers to modify certain contractual arrangements in certain circumstances) and two new special insolvency procedures which may be commenced by UK authorities (i.e. bank insolvency and bank administration). It is possible that the

extended tools described above could be used prior to the point at which an application for insolvency proceedings with respect to a relevant entity could be made.

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial systems of the United Kingdom. The Act includes provisions related to compensation in respect of transfer instruments and orders made under it. In general, there is considerable uncertainty about the scope of the powers afforded to UK authorities under the Banking Act and how the UK authorities may choose to exercise them.

If an instrument or order were to be made under the Banking Act in respect of SCB, such instrument or order may (amongst other things) affect the ability of such entity to satisfy its obligations under the Transaction Documents and/or result in modifications to such documents. In particular, modifications may be made pursuant to powers permitting certain trust arrangements to be removed or modified and/or via powers which permit provisions to be included in an instrument or order such that the relevant instrument or order (and certain related events) is required to be disregarded in determining whether certain widely defined "default events" have occurred (which events would include certain trigger events included in the Transaction Documents in respect of the relevant entity, including termination events). As a result, the making of an instrument or order in respect of SCB may affect the ability of the Issuer to meet its obligations in respect of the Notes. While there is provision for compensation in certain circumstances under the Act, there can be no assurance that Noteholders would recover compensation promptly and equal to any loss actually incurred.

At present, the UK authorities have not made an instrument or order under the Banking Act in respect of the entity referred to above and there has been no indication that it will make any such instrument or order, but there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such instrument or order if made.

UK Independent Commission on Banking

On 16 June 2010, HM Treasury published the terms of reference for the Government's Independent Commission on Banking (the "**ICB**"). The ICB was mandated to formulate policy recommendations with a view to: (i) reducing systemic risk in the banking sector, exploring the risk posed by banks of different size, scale and function; (ii) mitigating moral hazard in the banking system; (iii) reducing the likelihood and impact of a bank's failure; and (iv) promoting competition in retail and investment banking with a view to ensuring that the needs of banks' customers are served efficiently and considering the extent to which large banks can gain competitive advantage from being perceived as "too big to fail".

Following an interim report published on 11 April 2011, the ICB published its final report to the Cabinet Committee on Banking Reform on 12 September 2011 (the "**Final ICB Report**"). The Final ICB Report makes a number of recommendations, including in relation to (i) the implementation of a ring-fence of retail banking operations, (ii) loss-absorbency (including bail-in) and (iii) competition. The ICB has recommended 2019 as the final deadline for the implementation of its recommendations.

Prospective investors should be aware that a number of the recommendations contained in the Final ICB Report may, if implemented before the Final Maturity Date, have an adverse effect on the rights of the Issuer in respect of the obligations owed to it by SCB and consequently, an adverse effect on Noteholders.

In particular, one recommendation is that the resolution authorities should have a secondary bail-in power to enable them to impose losses on all liabilities of the bank that are either unsecured (which could include SCB's liabilities in respect of the Accounts and the Credit Default Swap) or secured with a floating charge only.

For further information, prospective investors are referred to the Final ICB Report.

Global Financial Crisis

The global financial system has yet to overcome the difficulties which first manifested themselves in August 2007 and were intensified by the bankruptcy filing of Lehman Brothers in September 2008. Since mid 2007, the global economy and financial markets have experienced extreme levels of instability, and there is substantial volatility in markets across asset classes, including (without limitation) stock markets, foreign exchange markets, commodity markets, fixed income markets and credit markets. In addition, the continued concern about sovereign credit risks in Europe has recently intensified and the large sovereign debts and/or fiscal deficits in European countries such as Greece, Portugal and Ireland have raised concerns regarding the financial condition of European financial institutions and their exposure to those countries. These concerns may have an impact on the ability of European banks to access the funding they need, or may increase the costs of such funding, which may cause such banks to suffer liquidity stress.

There can be no assurance that the steps taken by governments to ameliorate the Eurozone crisis or the global financial crisis will be successful or that the financial crisis will not worsen. The structure, nature and regulation of financial markets in the future may be fundamentally altered as a consequence of the Eurozone crisis or 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. There can be no assurance as to how severe the global recession will be or as to how long it will last. There can also be no assurance that government actions to limit the impact of the financial 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 Eurozone crisis, global financial crisis and 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 Eurozone crisis, the global financial crisis and the wider economic situation will develop over time.

Since 2007, many investors who held securities (particularly structured securities) during the periods considered above suffered significant adverse effects as a result of such holdings, including, but not limited to, reductions in the value of those securities, significant number of credit events in respect of reference entities referenced in structured 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.

DOCUMENTS INCORPORATED BY REFERENCE

This document should be read and construed in conjunction with the following documents (or sections of documents) which have been previously published or are published simultaneously with this document and which have been filed with the Financial Services Authority: the audited annual consolidated accounts of SCB for the year ended 31 December 2007, 31 December 2008, 31 December 2009, 31 December 2010 and 31 December 2011 (in each case, including the audit report thereon).

Such documents shall be deemed to be incorporated in, and form part of, this document, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document. Any documents themselves incorporated by reference in the documents incorporated by reference in this document shall not form part of this document.

Copies of documents incorporated by reference in this document have been filed with the Irish Stock Exchange and may be obtained from the Listing Agent at its Specified Office.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes as they will be scheduled to the Note Trust Deed and would appear on the Notes if delivered in definitive form subject to completion and amendment. The meaning of any term referred to but not fully defined in these terms and conditions may be ascertained by reference to other sections of this Prospectus and/or the Note Trust Deed.

The USD 105,000,000 Credit-Linked Floating Rate Notes (the "**Notes**") due on 28 December 2016 of Oryza 1 CLO Limited (the "**Issuer**") will be issued by the Issuer on a limited recourse basis.

The Notes:

(a) are subject to, and have the benefit of, a note trust deed dated the Closing Date (as amended or supplemented from time to time, the "**Note Trust Deed**") between the Issuer and BNY Mellon Corporate Trustee Services Limited as note trustee (the "**Note Trustee**", which expression includes all persons for the time being appointed note trustee or note trustees under the Note Trust Deed) and as security trustee (the "**Security Trustee**", which expression includes all persons for the time being appointed security trustee or security trustees under the Security Trust Deed); and

(b) are the subject of an agency agreement dated the Closing Date (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon (Luxembourg) S.A. as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), The Bank of New York Mellon, London Branch as principal paying agent (the "**Principal Paying Agent**" (which expression includes any successor principal paying agent appointed from time to time in connection with the Notes and together with any additional paying agents that may be appointed under the Agency Agreement, the "**Paying Agents**"), The Bank of New York Mellon, London Branch as agent bank (the "**Agent Bank**", which expression includes any successor agent bank appointed from time to time in connection with the Notes), the Note Trustee, the Security Trustee, Standard Chartered Bank as Swap Counterparty (the "**Swap Counterparty**") and Calculation Agent (the "**Calculation Agent**") and others. References herein to the "**Agents**" are to the Registrar, the Principal Paying Agent, any Paying Agent, the Calculation Agent and the Agent Bank and any reference to an "**Agent**" is to any of them.

Certain provisions of the terms and conditions of the Notes (the "**Conditions**") are summaries of or otherwise related to the Transaction Documents and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents. Copies of the Transaction Documents are available for inspection by Noteholders during normal business hours at the principal office of the Note Trustee being, at the date hereof, One Canada Square, London E14 5AL and at the Specified Office of each of the Paying Agents and the Listing Agent.

1. Form, Denomination and Status

1.1 Form and Denomination

The Notes are in individual fully registered form, without interest coupons or principal receipts attached, in the applicable Minimum Denomination. An Individual Note Certificate will be issued to each Noteholder in respect of its registered holding or holdings of Notes.

1.2 Status

The Notes constitute secured, limited recourse obligations of the Issuer and each Note shall at all times rank *pari passu* with each other Note.

2. Register, Title and Transfer

2.1 Register

The Registrar will maintain a register (the "**Register**") in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly. A certificate (each, an "**Individual Note Certificate**") will be issued to each Noteholder in respect of its registered holding. Each Individual Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.

2.2 Title

The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Individual Note Certificate relating thereto (other than the

endorsed form of transfer) or any notice of any previous loss or theft of such Individual Note Certificate) and no person shall be liable for so treating such Holder.

2.3 Transfers

Subject to Conditions 2.6 (*Closed periods*) and 2.7 (*Regulations concerning transfers and registration*) below, a Note may be transferred in whole or part only in nominal amounts equal to the applicable Minimum Denomination upon surrender of the relevant Individual Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar, together with such evidence as the Registrar may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. Where not all the Notes represented by the surrendered Individual Note Certificate are the subject of the transfer, a new Individual Note Certificate in respect of the balance of the Notes will be issued to the transferor.

2.4 Registration and delivery of Individual Note Certificates

Within 5 business days of the surrender of an Individual Note Certificate in accordance with Condition 2.3 (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Individual Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 2, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar has its Specified Office.

2.5 No charge

The transfer of a Note will be effected without charge by or on behalf of the Issuer or the Registrar but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

2.6 Closed periods

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

2.7 Regulations concerning transfers and registration

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

3. Security

3.1 Security

As security for the payment of all monies payable by the Issuer in respect of the Notes and the other Secured Obligations, the Issuer will, on the Closing Date, enter into the Security Trust Deed with the Security Trustee and others pursuant to which the Issuer will grant the following security interests to the Security Trustee for the benefit of the Secured Parties:

(a) an assignment by way of first fixed security of all of its rights, title, interests and benefits (present and future), if any, in and to all sums of money to which it is or may be entitled and are from time to time and at any time standing to the credit of the Principal Collections Account, the Interest Collections Account and any other bank or other account present or future in any jurisdiction (other than the Cayman Islands or elsewhere in which the paid up ordinary share capital of the Issuer and any Issuer Transaction Fee have been deposited) in which it may at any time acquire any right, title, interest or benefit together with all interest accruing from time to time thereon and the debt represented by such accounts;

(b) an assignment by way of first fixed security of all of its rights, title, interests and benefits (present and future), if any, under each of the Account Bank Agreement, the Administration and Cash Management Agreement, the Agency Agreement, the Corporate Services Agreement, the Registered Office Agreement, the Collateral Switch Agreement, the Credit Default Swap, the Notes, the Note Trust Deed, (save for any rights, title, interests and benefits, present and future that it may have against the Security Trustee under the Security Trust Deed) the Security Trust Deed and the Subscription Agreement;

(c) an assignment by way of first fixed security of any and all of its rights, title, interests and benefits (present and future), if any, in and to any amounts that may be held from time to time by any custodian under any custody or other agreement and to any securities credited from time to time to any custody or other account;

(d) an assignment by way of first fixed security of any and all its rights, title, interests and benefits (present and future), if any, in and to any custody account including, without limitation, its rights against any custodian for the delivery of any specified securities or an equivalent number or nominal value thereof arising in connection with such assets being held in a clearing system or through a financial intermediary and, to the extent that the same may be assigned, all of its rights, title, interest and benefits (present and future), if any, in and to all assets and property thereinafter belonging to it and deriving from such assets together with all rights attaching thereto and income deriving therefrom;

(e) an assignment by way of first fixed security of all of its rights, title, interests and benefits (present and future), if any, under any repurchase agreement or other agreement entered into pursuant to or as contemplated in the Transaction Documents from time to time; and

(f) a first floating charge over the whole of its undertaking, property, assets, rights and revenues (other than those situated in the Cayman Islands or elsewhere in which the paid up ordinary share capital of the Issuer and any Issuer Transaction Fee have been deposited) to the extent not effectively encumbered by the assignments described above.

All of the assets and property which are expressed to be subject to the Security created under or pursuant to the Security Documents are herein referred to as the "**Charged Assets**". On enforcement of the Security in accordance with Conditions 10 (*Events of Default and Acceleration*), 17 (*Enforcement*) and the Security Trust Deed, the Security Trustee is required to apply monies available for distribution in accordance with the Enforcement Order of Priority.

If, pursuant to the terms of the Collateral Switch Agreement, the Issuer is required to enter into a Repurchase Agreement, a Custody Agreement or a replacement Account Bank Agreement in the Approved Form, then in accordance with the terms of the Security Trust Deed, the Issuer will be required to enter into a supplemental deed and/or such other documents as may be required by the Security Trustee pursuant to which the Issuer will grant additional security to the Security Trustee for the benefit of the Secured Parties over its rights, interests and benefits under any such agreements and including in respect of any securities purchased or held on its behalf pursuant to such agreements.

3.2 Rights of the Note Trustee and the Security Trustee

Pursuant to the Note Trust Deed, the Issuer has agreed to pay to, or to the order of, the Note Trustee, sums equal to any sums owing to the Noteholders under the Notes as and when the same fall due for payment under the Notes; and, pursuant to the Security Trust Deed, the Issuer has agreed to pay to, or to the order of, the Security Trustee, sums equal to any sums owing to the Secured Parties (including the Noteholders) in respect of the Secured Obligations as and when the same fall due for payment.

4. Covenants of the Issuer

The Issuer covenants and agrees in the Note Trust Deed, among other things, that, so long as any of the Notes remain outstanding, it shall not, without the prior written consent of the Note Trustee or except as otherwise permitted by the Transaction Documents:

(a) engage in any business or other activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that it will engage;

(b) declare or pay any dividend or make any other distribution to its shareholders;

(c) have any subsidiaries or any employees or own, rent, lease or be in possession of any buildings or equipment;

(d) have its Centre of Main Interests or conduct the management of its affairs in any Member State of the European Union including holding any board meetings in any Member State of the European Union;

(e) (i) be resident in the United Kingdom for United Kingdom tax purposes (residence being determined in these circumstances by the location of the central management and control of the Issuer) or issue or account for the Notes through a permanent establishment in the United Kingdom or (ii) maintain, or carry on any business in the United Kingdom through, a branch, agency or other "permanent establishment" in the United Kingdom which is required to be registered at the Companies Registry pursuant to Part 34 of the Companies Act 2006;

(f) incur or permit to subsist any indebtedness in respect of borrowed money otherwise than in respect of the Notes or give any guarantee or indemnity in respect of any indebtedness or assume any liability except for its reasonable expenses incurred in the ordinary course of its business;

(g) sell, factor, discount, transfer, convey, assign, lend or otherwise dispose of any of its rights, title or interests in or to the Charged Assets or agree or purport to do so, other than in accordance with the Security Documents;

(h) create or permit to exist upon or affect any of the Charged Assets, any mortgage, submortgage, assignment, charge, sub-charge, pledge, lien (unless arising by operation of law or imposed by any clearing system in which any of the Repo Collateral is held), hypothecation or other encumbrance or security interest whatsoever (other than the Security) or otherwise permit the validity or effectiveness of the Security Documents or the priority of any Security created thereby to be amended, terminated, postponed or discharged;

(i) consolidate or merge with any other person or convey or transfer its properties or assets substantially in their entirety to any person or be acquired by any other entity;

(j) amend or terminate by agreement, or consent to the amendment or termination by agreement of, any Transaction Document or permit any person with obligations under any Transaction Document to be released from such obligations without the consent of the Security Trustee;

(k) issue any further shares to any other entity other than to the share trustees for the time being of it (or its nominees) or alter any rights to its shares in existence on the date hereof;

(l) open or have an interest in any account whatsoever with any bank or other financial institution other than the Account Bank pursuant to the Account Bank Agreement;

(m) purchase, subscribe for or otherwise acquire any shares (or other securities or any interest therein) in, or incorporate, any other company or agree to do any of the foregoing;

(n) amend or alter its Memorandum or Articles of Association;

(o) commingle its assets with those of any other person;

(p) allow or permit its ordinary shares to be held by a United States resident within the meaning of the United States Investment Company Act of 1940, as amended; or

(q) (i) become resident in the United States for United States tax purposes, or (ii) make any payment on the Notes that would be treated as US source for United States tax purposes.

5. Interest

5.1 Accrual of interest

(a) Interest on each Note will accrue on a daily basis at the relevant Rate of Interest on the Adjusted Outstanding Principal Balance of such Note, *provided* that the Adjusted Outstanding Principal Balance of such Note is in excess of USD 1. Such interest shall be payable on each Interest Payment Date.

(b) Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (after as well as before judgment) until whichever is the earlier of:

(i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and

(ii) the day which is seven days after the Principal Paying Agent or the Note Trustee has notified the relevant Noteholder that it has received all sums due in respect of such Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

5.2 Rate of Interest

(a) For each Interest Period, interest will accrue on the Notes at the USD London Interbank Offered Rate ("**USD LIBOR**") for such Interest Period *plus* the Interest Margin (together, the "**Rate of Interest**" for that Interest Period).

(b) The "**Interest Margin**" means:

(i) in respect of any Interest Period falling before the Notes Termination Date, 14 per cent. per annum; and

(ii) in respect of any Interest Period falling from and including the Notes Termination Date, 2 per cent. per annum.

(c) The Rate of Interest for the Notes for each Interest Period will be determined by the Agent Bank on the following basis:

(i) the Agent Bank will determine USD LIBOR for deposits in U.S. Dollars for a period equal to the Designated Maturity which appears on Reuters Screen LIBOR01 Page as of 11.00 a.m. (London time) on the Interest Determination Date;

(ii) if such rate does not appear on that page, the Agent Bank will:

(A) request that each of the four major banks (selected by the Agent Bank) in the London interbank market provide a quotation of the rate at which deposits in U.S. Dollars are offered by it in the London interbank market at approximately 11.00 a.m. (London time) on the Interest Determination Date to prime banks in the London interbank market for a period equal to the Designated Maturity (and commencing on the first day of the relevant Interest Period) and in an amount that is representative for a single transaction in that market at that time, assuming an Actual/360 day count basis;

(B) if at least two quotations are provided, determine the arithmetic mean (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards) of such quotations and determine USD LIBOR for such Interest Period as being such arithmetic mean;

(C) if such rate does not appear on that page and if fewer than two such quotations are provided as requested, the Agent Bank will request further quotations from one or more major banks in the London interbank market (selected by the Agent Bank) at approximately 11.00 a.m. (London time) on the Interest Determination Date, of the rate at which loans in U.S. Dollars to leading London banks are made for a period equal to the Designated Maturity (commencing on the first day of the relevant Interest Period) and in an amount that is representative for a single transaction in that market at that time, and USD LIBOR for such Interest Period shall be the rate or, as the case may be, the arithmetic mean of the rates (rounded, if necessary, as aforesaid) so determined; and

(iii) if, however, the Agent Bank is unable to determine a rate or, as the case may be, an arithmetic mean in accordance with the above provisions in respect of any Interest Period, the USD LIBOR during such Interest Period will be the USD LIBOR, or, as the case may be, the arithmetic mean last determined in the immediately preceding Interest Period.

5.3 Calculation of Interest Amount

(a) The Agent Bank will, on the Interest Determination Date in relation to each Interest Period, calculate (in accordance with these Conditions) USD LIBOR and the Rate of Interest payable in respect of each Note for such Interest Period.

(b) The Agent Bank will:

(i) as soon as reasonably practicable in relation to each Interest Period, determine the Interest Payment Date in respect of such Interest Period and calculate (in accordance with these Conditions) the Interest Amount that would be payable in respect of each Note on the next following Interest Payment Date and assuming that no reduction or reinstatement will be made to the Adjusted Outstanding Principal Balance of the Notes after the determination of the Interest Amount; and

(ii) in the event that an Interest Period is extended or shortened for any reason or that the Adjusted Outstanding Principal Balance is reduced or reinstated in each case following the determination of the Interest Amount and the Agent Bank is so notified in writing of such extension or shortening or reduction and/or reinstatement prior to the day falling 2 Business Days before the Interest Payment Date, promptly re-calculate the Interest Amount payable in respect of each Note for such Interest Period.

(c) The Interest Amount for each Note will be calculated by applying the Rate of Interest for the relevant Interest Period to the arithmetic average of the Adjusted Outstanding Principal Balance of such Note for each day in such Interest Period (after any adjustments to the Adjusted Outstanding Principal Balance thereof due to be made on each such day and *provided* that if the Adjusted Outstanding Principal Balance of such Note on any day is USD 1 or less, the Adjusted Outstanding Principal Balance shall be deemed to be zero on such date for the purposes of calculating the Interest Amount), multiplying the product by the actual number of days in such Interest Period divided by 360 and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

(d) The Interest Amount payable in respect of the Notes and any Interest Period shall be adjusted in accordance with Condition 6.12 (*Interest on Principal Reinstatement*), if applicable.

5.4 Notification of Determinations

The Agent Bank shall, as soon as practicable after any such determination is made and in respect of payments to be made on the relevant Interest Payment Date in respect of such Interest Period (unless otherwise directed by any party hereafter referred to) cause USD LIBOR, each Rate of Interest, the Interest Amount, any recalculated Interest Amount, and, if applicable, any amount of interest payable or to be deducted in accordance with Condition 6.12 (*Interest on Principal Reinstatement*), determined by it in respect of the Notes, together with the next following Interest Payment Date to be notified to the Paying Agents, the Note Trustee, the Security Trustee, the Issuer, the Administrator, the Calculation Agent, the Swap Counterparty and each stock exchange, competent listing authority, quotation system and/or regulated market (if any, and if so required by the rules thereof), on which or by which the Notes are then listed, quoted and/or traded. The Principal Paying Agent will cause notice thereof to be promptly given to the Noteholders in accordance with Condition 20 (*Notices*).

5.5 Notifications generally

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 or Condition 6 (*Redemption*) by the Agent Bank will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Note Trustee, the Security Trustee, the Noteholders and the other Secured Parties and (subject as aforesaid) no liability to any such person will attach to the Agent Bank or (in the circumstances referred to in Condition 5.6 (*Failure of Agent Bank*) below) the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

5.6 Failure of Agent Bank

If the Agent Bank fails at any time to determine, notify and/or publish the USD LIBOR, any Rate of Interest, Interest Amount, recalculated Interest Amount, amount of interest payable or to be deducted in accordance with Condition 6.12 (*Interest on Principal Reinstatement*) (as applicable) and the Interest Payment Date applicable to the Notes for any Interest Period as provided in this Condition 5, it shall forthwith notify the Issuer, the Note Trustee and the Principal Paying Agent of such failure and the Note Trustee or an agent acting on its behalf will, at the cost of the Issuer, determine or procure the determination, notification or publication, as the case may be, of any such USD LIBOR, Rate of Interest, Interest Amount, recalculated Interest Amount or amount of interest payable or to be deducted in accordance with Condition 6.12 (*Interest on Principal Reinstatement*) (as applicable) and next Interest Payment Date, applicable to the Notes as it, in its discretion, considers fair and reasonable in the circumstances (having such regard, as it thinks fit, to Condition 5.2 (*Rate of Interest*) above) or, as the case may be, calculate, determine or procure to be calculated or determined such USD LIBOR, Interest Amount, recalculated Interest Amount, any amount of interest payable or to be deducted in accordance with Condition 6.12 (*Interest on Principal Reinstatement*), Rate of Interest or Interest Payment Date in accordance with this Condition 5. Any such determination made by or procured by the Note Trustee (or an agent on its behalf) will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Security Trustee, the Noteholders and the other Secured Parties and no liability to any such person will attach to the Note Trustee in respect of such determination, notification or publication, as the case may be.

6. Redemption

6.1 Amortised Redemption

If at any time after the Replenishment Period and during a relevant Amortisation Period, the Tranche Notional Amount under the Credit Default Swap has been reduced by one or more Writedown Amounts pursuant to the terms of the Credit Default Swap, the Issuer shall, on the immediately following Interest Payment Date, subject to any prior ranking claims in accordance with the applicable Order of Priority, apply the Principal Collections in an amount equal to the aggregate Amortised Amounts determined during such Amortisation Period (but only after the expiry of the Replenishment Period) and, to the extent of interest due, Interest Collections available for distribution on that date in or towards redemption of the

Notes (together with any accrued but unpaid interest thereon) until the Outstanding Principal Balance of each Note is at the Minimum Balance.

6.2 Redemption on or after the Notes Termination Date

On the Notes Termination Date and on each Redemption Date thereafter, the Issuer shall, subject to any prior ranking claims in accordance with the applicable Order of Priority, allocate and apply the Principal Collections in an amount equal to the Distributable Principal Amount for that date together with Interest Collections available for distribution on that date in or towards redemption of the Notes (together with any accrued but unpaid interest thereon) until the Outstanding Principal Balance of each Note is at the Minimum Balance.

6.3 Designation of a Tax Redemption Date

The Issuer may, *provided* that it satisfies the Note Trustee that a Tax Redemption Event has occurred, by giving not less than 30 calendar days' and not more than 45 calendar days' notice to the Noteholders (which notice will be irrevocable) designate an Interest Payment Date as a redemption date (the "**Tax Redemption Date**"). On the Tax Redemption Date and on each Redemption Date thereafter, the Issuer shall, subject to any prior ranking claims in accordance with the applicable Order of Priority, allocate and apply the Principal Collections in an amount equal to the Distributable Principal Amount for that date together with Interest Collections available for distribution on that date in or towards redemption of the Notes (together with any accrued but unpaid interest thereon) until the Outstanding Principal Balance of each Note is at the Minimum Balance.

A "**Tax Redemption Event**" shall occur if:

(a) any of the following events occurs:

(i) the Issuer determines that it has, or there is a substantial likelihood that it will, within 90 calendar days of the date of determination (such determination being made by the Issuer relying on an opinion of independent legal advisers, as described below), become obliged to withhold or deduct an amount in respect of any Tax from any payment of principal of, interest on, or any other amount payable in respect of, the Notes as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction);

(ii) the Issuer determines that it has, or there is a substantial likelihood that it will, within 90 calendar days of the date of determination (such determination being made by the Issuer relying on an opinion of independent legal advisers, as described below), become subject to any circumstance or to a tax charge (whether by direct assessment or by withholding at source), regulatory imposition, or other imposition by the Cayman Islands or any other jurisdiction which would materially increase the costs to it of complying with its obligations under the Note Trust Deed or, under the Notes or materially increase the operating or administrative expenses of the Issuer or the trust under which the shares in the Issuer are held or reduce the amount of any sums received or receivable by the Issuer or otherwise oblige the Issuer to make any payment on, or calculated by reference to, the amount of any sum received or receivable by the Note Trustee and/or the Security Trustee on behalf of the Issuer as contemplated in the Note Trust Deed or the Security Trust Deed, as the case may be;

(iii) payments of interest due to the Issuer on any of the Accounts or on any Income due in respect of any other Collateral Investment are, or there is a substantial likelihood that they will within 90 calendar days of the date of determination (such determination being made by the Issuer relying on an opinion of independent legal advisers, as described below) become, subject to deduction or withholding for or on account of any Tax;

(iv) the Swap Counterparty is required to pay the Issuer any Swap Additional Amounts;

(v) the Swap Counterparty is obliged to receive payments from the Issuer under the Credit Default Swap subject to the deduction of any amount required to be deducted or withheld for or on account of any Tax;

(vi) during a Repo Existence Period, a Repo Tax Event occurs under the relevant Repurchase Agreement; or

(vii) the Issuer is otherwise subject to or becomes liable to pay Tax; and

(b) in the case where any of the events described in Condition 6.3(a)(i) to (iii) and (v) to (vii) has occurred, the Issuer determines that any obligation, imposition, withholding or deduction incurred as a result of such event cannot be avoided (without incurring additional cost) by the Issuer taking reasonable measures (including, in the case of Condition 6.3(a)(iii) and (vi) above, the replacement of the Repo Counterparty and/or substitution of the Repo Collateral and/or Collateral Investment) available to it; and

(c) the Swap Counterparty:

(i) elects to designate a "Tax Termination Date"; or

(ii) fails, after any applicable grace period, to pay any Swap Additional Amount which it is obliged to pay under the Credit Default Swap or elects not to indemnify the Issuer for any Tax incurred by it or for any Additional Amount which the Issuer would, if it were so funded, be obliged to pay to the Noteholders under Condition 9 (*Taxation*).

Prior to the publication of any notice designating a Tax Redemption Date pursuant to this Condition 6.3, the Issuer shall deliver, or cause to be delivered, to the Note Trustee in form and substance satisfactory to the Note Trustee, (a) an opinion of independent legal advisers of recognised standing to the effect that the relevant Tax Redemption Event applies as of the date of such opinion or will apply within 90 calendar days of the date of such opinion and (b) in respect of any of the events described in Condition 6.3(a)(i) to (iii) and (v) to (vii) only, a Tax Certificate. The Note Trustee shall be entitled to accept such opinion and Tax Certificate (but may accept other evidence in lieu thereof, which in its sole opinion is satisfactory to the Note Trustee) as sufficient evidence of the existence of a Tax Redemption Event, in which event it shall be conclusive and binding on the Noteholders. A notice delivered by the Issuer designating a Tax Redemption Date will be irrevocable.

6.4 Designation of a Swap Optional Termination Date

If:

(a) a Clean-up Event occurs; or

(b) a Regulatory Event occurs,

provided that the Scheduled Maturity Date has not already occurred, the Swap Counterparty shall notify in writing the Calculation Agent, the Note Trustee and the Administrator as soon as reasonably practicable after the occurrence of such Clean-up Event or Regulatory Event, as the case may be, and shall have the right to designate a Business Day to be the "Optional Termination Date" (such date, the "**Swap Optional Termination Date**") by giving the Issuer (with a copy to the Calculation Agent, the Note Trustee and the Administrator) at least (i) in the case of a Clean-up Event, 5 Business Days' prior written notice, or (ii) in the case of a Regulatory Event, 10 Business Days' prior written notice. On the Swap Optional Termination Date and on each Redemption Date thereafter, the Issuer shall, subject to any prior ranking claims in accordance with the applicable Order of Priority, allocate and apply the Principal Collections in an amount equal to the Distributable Principal Amount for that date together with Interest Collections available for distribution on that date in or towards redemption of the Notes (together with any accrued but unpaid interest thereon) until the Outstanding Principal Balance of each Note is at the Minimum Balance.

6.5 Final Redemption

Unless previously redeemed or cancelled, the Notes will be redeemed at their Outstanding Principal Balance together with any accrued but unpaid interest on the Payment Date scheduled to fall on 28 December 2016 (subject to adjustment in accordance with the Following Business Day Convention) (the "**Final Maturity Date**"), subject as provided in Condition 8 (*Payments*).

6.6 No other Redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in this Condition 6 (*Redemption*) or as provided in Condition 10 (*Events of Default and Acceleration*).

6.7 Purchase

The Issuer may not purchase Notes in the open market or otherwise.

6.8 Cancellation

All Notes so redeemed by the Issuer shall be cancelled and may not be reissued or resold.

6.9 Notice of Principal Repayment

If in accordance with these Conditions, principal on any Note is payable on any date other than the Final Maturity Date, the Issuer shall procure that the date and amount of any such payments are notified to Noteholders (in accordance with Condition 20 (*Notices*)), the Note Trustee, the Agents and any stock exchange, competent listing authority and/or quotation system, if any, on which or by which the Notes are then listed, quoted and/or traded as soon as practicable after the determination of such date and amount.

6.10 Reduction of Outstanding Principal Balance

Under the terms of the Credit Default Swap, the Calculation Agent is required to inform the Issuer of (a) any Defaulted Notional Amount in respect of an Event Determination Date; and (b) any Additional Loss Payment payable by the Issuer thereunder. For each Defaulted Notional Amount or Additional Loss Payment payable by the Issuer an amount (the "**Outstanding Principal Balance Reduction Amount**") equal to:

(a) the greater of (i) such Defaulted Notional Amount *less* the Unutilised Threshold Balance at the time of such calculation; and (ii) zero, and/or

(b) such Additional Loss Payment,

as applicable, will be applied in reduction of the aggregate Outstanding Principal Balance of the Notes without any corresponding payment to the Noteholders. Such Outstanding Principal Balance Reduction Amount will be allocated to the Notes until the Outstanding Principal Balance of each Note is reduced to USD 1 (one U.S. Dollar) or, on the Final Payment Date, zero. Allocations of Outstanding Principal Balance Reduction Amounts relating to Additional Loss Payments to the reduction of the Outstanding Principal Balance shall be deemed to occur automatically on the date on which the relevant Additional Loss Payment is payable by the Issuer and without further action by any party. Allocations of Outstanding Principal Balance Reduction Amounts relating to Defaulted Notional Amounts to the reduction of the Outstanding Principal Balance shall be deemed to occur automatically on the date of the relevant Event Determination Date and without any further action by any party. The Calculation Agent shall, as soon as reasonably practicable thereafter, notify in writing the Issuer, the Agent Bank, the Principal Paying Agent, the Administrator and the Note Trustee of the Outstanding Principal Balance and the Adjusted Outstanding Principal Balance following such reduction.

In this Condition 6.10, "**Unutilised Threshold Balance**" means on any date of determination:

(A) the Threshold Balance existing on such date (*less*, to the extent not already taken into account in calculating such Threshold Balance, any Additional Loss Payment previously determined on such date), *less*

(B) the aggregate of the Verified Loss Amounts for any Pending Liquidated Reference Obligation existing on such date, *less*

(C) the aggregate of the Defaulted Notional Amounts arising on or prior to such date relating to any Defaulted Reference Obligations which have not, as at such date, become Liquidated Reference Obligations;

and *provided* that if the result of such calculation would be a negative number, the "**Unutilised Threshold Balance**" for such date of determination shall be zero.

6.11 Principal Reinstatements

Upon the determination of a Verified Loss Amount or on the date on which a Credit Event is Cured under the Credit Default Swap and on any Payment Date on which a Loss Adjustment Payment is paid by the Swap Counterparty to the Issuer under the Credit Default Swap, the Outstanding Principal Balance of the Notes will be increased, without any corresponding payment to the Noteholders, by:

(a) an amount (each such amount, a "**Note Recovery Amount**") determined by the Calculation Agent equal to (A) (Initial Principal Balance of the Notes *minus* Tranche Loss) *minus* (B) (the greater of (i) the aggregate of Defaulted Notional Amounts relating to any Defaulted Reference Obligations which have not, as at such date, become Liquidated Reference Obligations *minus* the Adjusted Threshold Balance and (ii) zero), in each case following the determination of such Verified Loss Amount *minus* (C) the Outstanding Principal Balance of the Notes immediately prior to such determination, *provided* that the Note Recovery Amount shall not be less than zero; or

(b) to the extent not accounted for pursuant to paragraph (a) above, the Loss Adjustment Payment,

as applicable, in order to reinstate any amounts previously applied in reduction of the Outstanding Principal Balance of the Notes such that the Outstanding Principal Balance of the Notes following such re-

instatement reflects the then current aggregate losses and potential losses under the Reference Portfolio, taking into account, amongst other things, the Threshold Balance (the date of such increase being a "**Reinstatement Date**"). Such reinstatement shall be allocated to the Notes until the Outstanding Principal Balance of the Notes is equal to its Initial Principal Balance *less* any Redemption Amounts previously paid in respect of the Notes (the amount so allocated to the Notes being the "**Reinstatement Amount**"). The Calculation Agent shall, as soon as reasonably practicable thereafter, notify in writing the Issuer, the Agent Bank, the Principal Paying Agent, the Administrator and the Note Trustee of the Outstanding Principal Balance and the Adjusted Outstanding Principal Balance following such reinstatement. For the purposes hereof, "**Adjusted Threshold Balance**" means, on any date of determination, the greater of: (a) zero; and (b) (A) the Threshold Amount *minus* (B) the Adjusted Cumulative Loss Amount.

6.12 Interest on Principal Reinstatement

On the Payment Date immediately following the Reinstatement Date relating to a Note Recovery Amount (or, if such Payment Date falls less than 2 Business Days after such Reinstatement Date and such Payment Date is not the Final Payment Date, the next following Payment Date (the "**Deferred Payment Date**")) and on each Reinstatement Date relating to a Loss Adjustment Payment, the Issuer shall, subject to Condition 8 (*Payments*), pay to the Noteholders, with respect to any Notes, the Outstanding Principal Balance of which is to be reinstated:

(a) the Aggregate Make-up Amount (if a positive number), together with any Aggregate Make-up Compound Amount (if a positive number), in respect of that Payment Date; and

(b) in respect of any Payment Date upon which an Excess Adjustment Period ends, each Regular Interest Amount, together with each Compounded Interest Amount, in respect of each Payment Date falling within such Excess Adjustment Period.

On the Payment Date immediately following the Reinstatement Date relating to a Note Recovery Amount (or, if such Payment Date falls less than 2 Business Days after such Reinstatement Date and such Payment Date is not the Final Payment Date, the Deferred Payment Date), the Issuer shall reduce the amount of interest payable pursuant to Condition 5 (*Interest*) on the Notes in respect of that Payment Date (subject to a minimum of zero) by an amount equal to the sum of:

(a) the absolute value of any Aggregate Make-up Amount (if a negative number) in respect of that Payment Date; and

(b) the absolute value of any Aggregate Make-up Compound Amount (if a negative number) in respect of that Payment Date,

(such sum, the "**Interest Reduction Amount**").

If on any such Payment Date the Interest Reduction Amount in respect of the Notes is greater than the amount of interest payable in respect of the Notes on such Payment Date, such excess shall be deducted from the amount of interest payable in respect of the Notes on future Payment Dates until any such excess has been reduced to zero. Interest shall accrue on such unsatisfied excess amounts at USD LIBOR and be compounded on future Payment Dates until paid. In the event that any such excess (including accrued interest thereon) remains unpaid on the Notes Termination Date or on any Redemption Date thereafter and/or any Interest Reduction Amount is payable on the Notes Termination Date or on any Redemption Date thereafter and the amount of interest payable on the Notes on the Notes Termination Date or on any such Redemption Date thereafter is less than the sum of such excess amount and such Interest Reduction Amount (the difference being the "**Interest Deduction Amount**"), the Outstanding Principal Balance of the Notes shall be reduced on the Notes Termination Date or on any such Redemption Date thereafter, before any payments are made to Noteholders on such date and without corresponding payment to the Noteholders, by the Interest Deduction Amount. The Issuer shall pay an amount equal to the Interest Deduction Amount to the Swap Counterparty on such Payment Date by means of an additional payment under the Credit Default Swap.

6.13 Notification of Reductions and Reinstatements of the Outstanding Principal Balance and the Adjusted Outstanding Principal Balance

The Principal Paying Agent shall, as soon as reasonably practicable after being notified in writing by the Calculation Agent of the Outstanding Principal Balance and/or the Adjusted Outstanding Principal Balance of the Notes after any reduction or reinstatement pursuant to Conditions 6.10 (*Reduction of Outstanding Principal Balance*) and 6.11 (*Principal Reinstatements*), notify the Noteholders in accordance with Condition 20 (*Notices*) and each stock exchange (if any) on which the Notes are then listed of any reduction or reinstatement of the Outstanding Principal Balance or Adjusted Outstanding Principal Balance of the Notes and any amount of interest payable or to be deducted in accordance with Condition 6.12 (*Interest on Principal Reinstatement*).

7. Allocation of Collections

Pursuant to the Security Trust Deed, the Issuer or, in the case of Condition 7.3 (*Proceeds on Enforcement*), the Security Trustee, shall apply or cause to be applied funds standing to the credit of the Accounts in the following manner:

7.1 Application of Interest Collections

(a) On each Payment Date falling before the Enforcement Date, the Issuer shall, subject to Condition 7.2 (*Application of Principal Collections*), apply, or cause to be applied, the Interest Collections for such Payment Date as follows:

(i) first, to pay or provide for payment to the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses (excluding Exceptional Expenses) due and unpaid on such Payment Date or anticipated to be payable on or prior to the next following Payment Date;

(ii) second, to pay or provide for payment to the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date or anticipated to be payable on or prior to the next following Payment Date, subject to a maximum of USD 250,000 in any one calendar year;

(iii) third, to pay or provide for payment to the Operating Creditors, on a *pro rata* and *pari passu* basis, any Budgeted Expenses (excluding Exceptional Expenses) due and unpaid on such Payment Date or anticipated to be payable on or prior to the next following Payment Date;

(iv) fourth, to pay any accrued and unpaid interest including any Aggregate Make-up Amount, Aggregate Make-up Compound Amount, Regular Interest Amount and Compounded Interest Amount payable in accordance with Condition 6.12 (*Interest on Principal Reinstatement*) on the Notes due on such Payment Date;

(v) fifth, to pay or provide for payment to the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date or anticipated to be payable on or prior to the next following Payment Date, to the extent not funded pursuant to sub-paragraph (ii) above;

(vi) sixth, to pay or provide for payment to the Operating Creditors, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date or anticipated to be payable on or prior to the next following Payment Date;

(vii) seventh, to pay to the Issuer the Issuer Transaction Fee, if any, due on such Payment Date; and

(viii) eighth, on the Final Payment Date only, to pay any remaining balance of the Interest Collections Account into the Principal Collections Account.

(b) On any other date prior to the Enforcement Date, the Issuer will apply, or cause to be applied, the funds standing to the credit of the Interest Collections Account, to pay, in the Order of Priority, to the Security Trustee, the Note Trustee and any relevant Operating Creditors any unpaid Budgeted Expenses determined as of the immediately preceding Payment Date which are payable to such party and which have not previously been paid out of the Interest Collections Account.

7.2 Application of Principal Collections

On each Payment Date falling before the Enforcement Date, the Issuer shall apply, or cause to be applied, the Principal Collections for such Payment Date as follows:

(a) first, to pay to the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses (excluding Exceptional Expenses) due and unpaid on such Payment Date to the extent not paid out of Interest Collections;

(b) second, to pay to the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date to the extent not paid out of Interest Collections, subject to a maximum of USD 250,000 in any one calendar year;

(c) third, to pay to the Operating Creditors, on a *pro rata* and *pari passu* basis, any Budgeted Expenses (excluding Exceptional Expenses) due and unpaid on such Payment Date to the extent not paid out of Interest Collections;

(d) fourth, to pay to the Swap Counterparty each Cash Settlement Amount or Interest Deduction Amount, if any, due on such Payment Date;

(e) fifth, to make payments of principal due on, and reduce to the Minimum Balance the Outstanding Principal Balance (after giving effect to the allocation of any Defaulted Notional Amounts or Additional Loss Payments, if any, on such Payment Date or in the preceding Interest Period) of the Notes;

(f) sixth, to pay the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date to the extent not paid out of Interest Collections and to the extent not funded pursuant to sub-paragraph (b) above;

(g) seventh, to pay the Operating Creditors, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date to the extent not paid out of Interest Collections;

(h) eighth, after the reduction of the Outstanding Principal Balance of each Note to the Minimum Balance and *provided* that Payable Maximum Cash Settlement Amount is reduced to zero, to pay to the Swap Counterparty the remaining funds standing to the credit of the Principal Collections Account (to the extent such funds exceed any due but unpaid Issuer Transaction Fee) toward payment of the Swap Termination Fee which is then due and payable; and

(i) ninth, to pay the balance of the Principal Collections Account to the Issuer.

7.3 Proceeds on Enforcement

(a) If the Enforcement Date occurs during a Repo Existence Period, then on the Enforcement Date, if the Repurchase Agreement is accelerated as a result of a Repo Event of Default, the obligation of the Repo Counterparty to pay the Outstanding Repurchase Price will on the Repurchase Date be accelerated and netted against the obligation of the Issuer, in such circumstances, to pay the Default Market Value of the Repo Collateral (together with accrued income thereon) to the Repo Counterparty. The excess, if any, of the Default Market Value of the Repo Collateral over the Outstanding Repurchase Price will be paid to the Repo Counterparty as at such date. In such case, only the net proceeds of sale of the Repo Collateral (after payment of any such excess to the Repo Counterparty) will be available for application by the Security Trustee pursuant to the Enforcement Order of Priority.

(b) On or after the Enforcement Date, the Security Trustee shall (subject to any applicable laws including laws of bankruptcy, insolvency, liquidation or other laws affecting creditors' rights generally) apply or cause to be applied the proceeds of realisation of the Charged Assets in the order of priority (the "**Enforcement Order of Priority**") set forth below:

(i) first, to pay or provide for, in no order of priority, *inter se*, but *pro rata* to the respective amounts payable under the provisions of the Security Trust Deed, the Note Trust Deed and the other Transaction Documents by way of remuneration and/or indemnification or which are otherwise payable by the Issuer to the Security Trustee and the Note Trustee and/or any Receiver appointed pursuant to the Security Trust Deed or the Note Trust Deed, their respective Expenses;

(ii) second, to pay, or provide for on a *pari passu* basis and *pro rata* to the respective amounts payable to the Operating Creditors their respective Expenses (excluding Exceptional Expenses) payable and not previously paid;

(iii) third, to pay or provide for amounts payable to the Swap Counterparty, in respect of the Issuer's obligations to the Swap Counterparty (excluding the Swap Termination Fee) under the Credit Default Swap;

(iv) fourth, to pay, in respect of the Notes, firstly, all amounts of interest then due and payable in respect of the Adjusted Outstanding Principal Balance of the Notes (including any Aggregate Make-up Amount, Aggregate Make-up Compound Amount, Regular Interest Amount and Compounded Interest Amount payable in accordance with Condition 6.12) and, secondly, all amounts of principal then due and payable in respect of the Outstanding Principal Balance of the Notes;

(v) fifth, to pay, or provide for on a *pari passu* basis and *pro rata* to the respective amounts payable to the Operating Creditors their respective Exceptional Expenses payable and not previously paid;

(vi) sixth, to apply the remaining funds, if any, to the extent such funds exceed the amount of any due but unpaid Issuer Transaction Fee, available for distribution toward payment of the Swap Termination Fee; and

(vii) seventh, to pay the balance, if any, to the Issuer.

8. Payments

8.1 Principal

Payments of principal shall be made by U.S. dollar cheque drawn on, or upon application by a Holder of a Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City upon surrender (or, in the case of part payment only, endorsement) of the relevant Individual Note Certificates at the Specified Office of any Paying Agent.

8.2 Interest

Payments of interest shall be made by U.S. dollar cheque drawn on, or upon application by a Holder of a Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Individual Note Certificates at the Specified Office of any Paying Agent.

8.3 Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

8.4 Payments on Business Days

Where payment is to be made by transfer to a U.S. dollar account, payment instructions (for value on the due date, or, if the due date is not a business day, for value on the following business day) will be initiated and, where payment is to be made by U.S. dollar cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Individual Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a business day or (B) a cheque mailed in accordance with this Condition 8 (*Payments*) arriving after the due date for payment or being lost in the mail. In this Condition, "**business day**" means any day on which banks are open for general business (including dealings in foreign currencies) in New York City and London and, in the case of surrender (or, in the case of part payment only, endorsement) of an Individual Note Certificate, in the place in which the Individual Note Certificate is surrendered (or, as the case may be, endorsed).

8.5 Partial payments

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of an Individual Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Individual Note Certificate.

8.6 Record date

Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

9. Taxation

(a) All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges ("**Taxes**" and each, a "**Tax**") of whatsoever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall make such payments 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 Paying Agent will be obliged to pay any additional amounts to the Noteholders in respect of such withholding or deduction.

However, in that event, *provided* that the Issuer has been specifically provided with funds by the Swap Counterparty (at the option of the Swap Counterparty) for such purpose, the Issuer will pay such additional amounts ("**Additional Amounts**") as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had become required, except that no Additional Amounts will be payable in respect of any Notes:

(i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of it having some connection with the Relevant Jurisdiction other than the mere holding of such Note; or

(ii) where (in the case of a payment of principal or interest on redemption) the relevant Individual Note Certificate is surrendered for payment more than 30 days after the Note Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Individual Note Certificate on the last day of such period of 30 days; or

(iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to EU Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) where (in the case of a payment of principal or interest on redemption) the relevant Individual Note Certificate is surrendered for payment by a Holder who would have been able to avoid such withholding or deduction by surrendering the relevant Note Certificate to another Paying Agent in a Member State of the European Union.

(b) In these Conditions, "**Note Relevant Date**" means whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received by the Paying Agent or the Note Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

(c) In the event that the Issuer is required or would, if provided with funds therefor, be required to pay any Additional Amounts to Noteholders, and the Swap Counterparty has elected to terminate the Credit Default Swap or has failed to pay any additional amount which it has elected to pay under the Credit Default Swap or has elected not to indemnify the Issuer in respect of any Tax incurred by it or for any Additional Amount which the Issuer would, if it were so funded, be obliged to pay to Noteholders under this Condition 9 (*Taxation*), the Notes will be redeemable in accordance with Condition 6.3 (*Designation of a Tax Redemption Date*).

(d) Any reference in these Conditions to principal or interest will be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable (subject to the discretion of the Swap Counterparty electing to fund such payments) under this Condition 9 (*Taxation*).

10. Events of Default and Acceleration

10.1 Events of Default

The occurrence of any of the following events shall constitute an "**Event of Default**":

(a) Non-payment

there is default in the payment of any interest or principal due in respect of any Notes and such default continues for a period of 5 (five) Business Days after the due date or, if the Principal Paying Agent notifies the Note Trustee in writing that any default in payment is solely as a result of technical problems in the interbank payment systems, 10 (ten) Business Days after the due date;

(b) Breach of other obligations

the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Note Trust Deed or any other Transaction Document, or causes the occurrence of a Swap Event of Default with respect to the Issuer only, which default is, in the sole opinion of the Note Trustee (i) materially prejudicial to the interests of the Noteholders and (ii) incapable of remedy or, if capable of remedy, continues unremedied for a period of 30 calendar days following the delivery by the Note Trustee of written notice thereof to the Issuer;

(c) Security unenforceable

the Security Trustee ceases to have a valid and enforceable security interest in all or, in the sole opinion of the Security Trustee, a material part of the Charged Assets;

(d) Insolvency proceedings

(i) proceedings are initiated against the Issuer under any applicable liquidation (voluntary or judicial), insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), and such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith and with a reasonable prospect of success, having received such legal advice and/or other professional advice as it may deem necessary and on which it may rely without any liability for so doing; or

(ii) a receiver, trustee, administrator, custodian, conservator or other similar official (a "**receiver**") is appointed pursuant to any Insolvency Law or any Security Document , in each case in relation to the Issuer or in relation to the whole or substantially the whole of the undertaking or assets of the Issuer; or

(iii) a winding up petition is presented in respect of, or a distress or execution or other process is levied or enforced upon or sued out against, the whole or substantially the whole of the undertaking or assets of the Issuer and such possession or process, as the case may be, is not discharged or does not otherwise cease to apply within 30 calendar days; or

(iv) an application is made for the appointment of an administrator in relation to the Issuer, or the Issuer is deemed by a court to be insolvent, bankrupt or unable to pay its debts; or

(v) the Issuer initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a receiver or an administrator, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by the Note Trustee).

10.2 Note Default Notice

If an Event of Default occurs, the Note Trustee may among other things, at any time, and shall, if so directed by an Extraordinary Resolution of the Noteholders, and subject, in each case, to it being indemnified and/or secured and/or prefunded to its satisfaction, deliver a notice (a "**Note Default Notice**") to the Issuer (with a copy to the Security Trustee and each Agent) declaring the Notes to be immediately due and payable (in accordance with Condition 6.2 (*Redemption on or after the Notes Termination Date*).

10.3 Acceleration and Enforcement

(a) The Notes will become immediately due and payable in accordance with Condition 6.2 (*Redemption on or after the Notes Termination Date*) without any further notice or other action on the part of the Note Trustee or the Noteholders on the date a Note Default Notice is delivered by the Note Trustee to the Issuer pursuant to the Note Trust Deed (the "**Note Default Notice Delivery Date**"). In the event that an Enforcement Date occurs, the Notes shall (unless already accelerated pursuant to the delivery of a Note Default Notice or otherwise) become immediately due and payable in accordance with Condition 6.2 (*Redemption on or after the Notes Termination Date*) without any further notice or other action on the part of the Security Trustee, the Note Trustee or the Noteholders.

(b) Subject to the terms of the Security Trust Deed and subject to it being indemnified and/or secured and/or prefunded to its satisfaction, the Security Trustee (1) shall, upon receipt by it of a Note Default Notice, or (2) following the occurrence of an Enforcement Event, may, at its discretion, or shall, if so directed in writing by the Instructing Party (as provided by the terms of the Security Trust Deed), and unless it has already given such notice at such time, give a notice (an "**Enforcement Notice**") to the Issuer (with a copy to the Note Trustee, the Administrator and

each Agent) declaring either (A) that the Security has become enforceable pursuant to and upon the delivery of a Note Default Notice to the Issuer (pursuant to the Security Trust Deed) or (B) the Security to be enforceable following the occurrence of an Enforcement Event.

(c) The Security shall become enforceable on the Enforcement Date in accordance with the terms of the Security Trust Deed. The "**Enforcement Date**" shall be the date which is the earliest of (1) the Note Default Notice Delivery Date, (2) the date that an Enforcement Notice is delivered to the Issuer pursuant to the Security Trust Deed and (3) the date upon which a Swap Acceleration Event occurs.

(d) If an Early Termination Date occurs under the Credit Default Swap other than due to the occurrence of a Swap Tax Event or Swap Acceleration Event, the Notes shall become immediately due and payable in accordance with Condition 6.2 (*Redemption on or after the Notes Termination Date*) without any further notice or other action on the part of the Security Trustee, the Note Trustee or the Noteholders.

(e) The Issuer shall procure that the Noteholders are notified (in accordance with Condition 20 (*Notices*)) of the receipt by the Issuer of a Note Default Notice and/or an Enforcement Notice as soon as is practicable thereafter.

11. Prescription

Claims for principal and interest on redemption shall become void unless the relevant Individual Note Certificate is surrendered for payment within ten years of the appropriate Note Relevant Date.

12. Replacement of Individual Note Certificates

If any Individual Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Individual Note Certificates must be surrendered before replacements will be issued.

13. Note Trustee, Security Trustee and Agents

13.1 Indemnification of the Note Trustee and the Security Trustee

Under the Note Trust Deed and the Security Trust Deed, each of the Note Trustee and the Security Trustee are entitled to be indemnified and/or secured and/or prefunded to its satisfaction and relieved from responsibility in certain circumstances and to be paid its remuneration, costs and expenses in priority to the claims of the Noteholders and the other Secured Parties.

13.2 Trustees' consideration of interests

Subject to the Note Trust Deed, the Note Trustee is required in connection with the exercise of its powers, trusts, authorities, duties and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution) to have regard to the interests of all the Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee will not have regard to, or be in any way liable for, the consequences of such exercise for individual holders of Notes resulting from their being for any purposes domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, no holder of a Note will be entitled to claim (via the Note Trustee or otherwise), from the Issuer or any other person, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

Subject to the provisions of the Security Trust Deed, in connection with the exercise by it of any of its powers, trusts, authorities, duties and discretions under the Security Trust Deed (including, without limitation, any modification, waiver, authorisation, determination or substitution), while any amounts are or may become due by the Issuer to the Swap Counterparty under the Credit Default Swap, the Security Trustee is required to have regard first, to the interests of the Swap Counterparty (for so long as the Swap Counterparty is the Instructing Party), second, to the interests of the Noteholders and finally, to the interests of the other Secured Parties.

13.3 Trustees entitled to assume

The Note Trustee and the Security Trustee will each be entitled in considering, for the purposes of exercising any power, trust, authority, duty or discretion (including, without limitation, any modification, waiver, authorisation, determination or substitution) under or in relation to these Conditions or any other Transaction Document, whether such exercise would be materially prejudicial to the interests of any Noteholders or, as the case may be, the Secured Parties, to consider such factors as it, in its discretion,

considers relevant. The Note Trustee or, as the case may be, the Security Trustee may in its sole discretion obtain advice from a financial (or other) advisor satisfactory to the Note Trustee or, as the case may be, the Security Trustee, prior to the exercise by the Note Trustee or, as the case may be, the Security Trustee, in any particular circumstance of any such power, trust, authority, duty or discretion. All costs and expenses of, or incurred in connection with, such advice shall be borne by the Issuer.

13.4 Trustees not liable to account

As more fully set out in the Note Trust Deed and the Security Trust Deed, each of the Note Trustee and the Security Trustee are not precluded from making any contracts or entering into any transactions in the ordinary course of business with, among others, the Issuer or any other party to the Transaction Documents and neither the Note Trustee nor the Security Trustee shall be accountable to, among others, the Noteholders, the Issuer or any other party to the Transaction Documents for, among other things, any profit arising or resulting from any such contracts or transactions.

13.5 Security Trustee not liable with respect to the Charged Assets

As more fully set out in the Security Trust Deed, the Security Trustee shall not be:

(a) under any obligation to insure any of the Security or any deeds or documents of title or other evidence in respect of the Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any Liability which may be suffered as a result of the lack of or inadequacy of any such insurance, and is not liable with respect to any loss, theft or reduction in value with respect to the Charged Assets; or

(b) liable to any Secured Party or other person for any failure to make or to cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Charged Assets and shall not be responsible for any claim arising from the fact that any of the Charged Assets are held in safe custody by the Custodian or held in a clearing system.

13.6 Trustees not liable for Transaction Documents or Transaction Parties

Neither the Note Trustee nor the Security Trustee shall be:

(a) responsible for:

(i) any recitals, statements, representations, warranties of any person contained in the Note Trust Deed, the Notes, any other Transaction Document or any document relating to the Security or other documents entered into in connection therewith;

(ii) the validity, sufficiency of either the whole or any part of the Note Trust Deed or the other Transaction Documents;

(iii) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Note Trust Deed or the other Transaction Documents or any document relating thereto or any Security constituted thereby; or

(iv) the accuracy and/or completeness of any information supplied to it by the Issuer or any other person in connection with, or for the legality, validity, effectiveness, adequacy or enforceability of any documents, certificates, reports and accounts relating thereto or the nature, status, creditworthiness or solvency of the Issuer or any other party to any of the Transaction Documents and shall not (save as otherwise provided in the Note Trust Deed or, as the case may be, the Security Trust Deed) be liable or responsible for any losses to any person, howsoever caused, as a result of taking or omitting to take any action whatsoever in relation to any such documents, or otherwise;

(b) obliged to monitor or supervise the functions of any other person under the Note Trust Deed or, as the case may be, the Security Trust Deed or any other Transaction Document and each of the Note Trustee and the Security Trustee shall be entitled, in the absence of express notice of a breach of obligation, to assume that each other such person is properly performing its obligations; or

(c) under any obligation to monitor, verify or make any determination or have any Liability to any Noteholder, or, as the case may be, any Secured Party, or other person with respect to:

(i) the Credit Default Swap, any list of Reference Entities in respect thereof, the occurrence or type of any Credit Event, any amount determined pursuant to any valuation procedure thereunder, or any Cash Settlement Amount payable thereunder; or

(ii) the value of any Repo Collateral then in existence or the amount of any Eligible Securities to be transferred in any circumstance in relation thereto.

13.7 Role of Agents

(a) In acting under the Agency Agreement and in connection with the Notes, the Paying Agents and other Agents act solely as agents of the Issuer and will not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

(b) The initial Principal Paying Agent and its initial Specified Office is as stated in the Agency Agreement.

(c) Subject to Condition 13.7(e) below, the Issuer may, with the prior written approval of the Note Trustee, terminate the appointment of any Agent at any time and/or appoint a successor principal paying agent or registrar or, as the case may be, additional or successor paying agents and transfer agents in accordance with the Agency Agreement.

(d) Subject to Condition 13.7(e) below, all or any of the Agents may resign their respective appointments at any time in accordance with the Agency Agreement.

(e) So long as any of the Notes are outstanding, any appointment, variation, resignation or termination pursuant to Conditions 13.7(c) or (d) shall not be effective unless upon the expiry of the relevant notice required to be given under the Agency Agreement there is:

(i) a Principal Paying Agent;

(ii) a Paying Agent having a Specified Office in a city of a member state of the European Union which has opted for exchange of information, rather than withholding, pursuant to the EU Council Directive 2003/48/EC;

(iii) an Agent Bank;

(iv) a Calculation Agent; and

(v) a Registrar.

(f) Notice of any change in any of the Agents or in the Specified Office of any Paying Agent will promptly be given to the Noteholders in accordance with Condition 20 (*Notices*).

14. Meetings of Noteholders

The Note Trust Deed contains provisions for convening Meetings of Noteholders to consider matters relating to such Notes, including, without limitation, the modification of any provision of these Conditions or the Note Trust Deed affecting such Notes. Subject as provided in the Note Trust Deed, any such modification may be made if sanctioned by an Extraordinary Resolution of the Noteholders.

14.1 Extraordinary Resolution

(a) The majority required to pass an Extraordinary Resolution of the Noteholders is three quarters or more of the votes cast at such Meeting.

(b) Such a Meeting may be convened by the Issuer or by the Note Trustee at any time (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders holding not less than one-tenth of the aggregate Outstanding Principal Balance of the outstanding Notes.

14.2 Quorum

(a) The quorum at any Meeting convened to vote on an Extraordinary Resolution will be one or more Voters holding or representing more than two-thirds of the aggregate Outstanding Principal Balance of the outstanding Notes or, at any adjourned meeting (adjourned for want of a quorum), one or more Voters holding or representing holders of the Notes whatever the principal amount of the Notes held or represented by him or them actually present at the Meeting; *provided* that certain proposals, including:

(i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable (other than in accordance with the Conditions) on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment;

(ii) to change the currency in which amounts due in respect of any Notes are payable;

(iii) to change the quorum requirements at any Meeting or the majority required to pass an Extraordinary Resolution;

(iv) to vary or modify the Security;

(v) to effect the exchange, conversion or substitution of any Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;

(vi) to amend the Order of Priority; or

(vii) to amend the definition of "Reserved Matter",

(each, a "**Reserved Matter**") may only be sanctioned by an Extraordinary Resolution passed at a Meeting of the holders of the Notes at which one or more Voters holding or representing more than three-quarters or, at any adjourned Meeting (adjourned for want of a quorum), one-quarter of the aggregate Outstanding Principal Balance of the outstanding Notes form a quorum.

(b) Any resolution (extraordinary or otherwise) passed at a Meeting of the Noteholders shall be binding upon all Noteholders, whether or not present at such Meeting, and each of the Noteholders shall be bound by it accordingly.

(c) A resolution in writing signed by or on behalf of the holders of not less than three-quarters of the Outstanding Principal Balance of the Notes for the time being outstanding will take effect as if it were an Extraordinary Resolution of the Noteholders. Such a resolution in writing may be contained in a document or several documents in the same form, each signed by or on behalf of one or more of the holders of the Notes and shall take effect on the final such signature.

(d) Consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the holders of not less than three-quarters of the Outstanding Principal Balance of the Notes for the time being outstanding will take effect as if it were an Extraordinary Resolution of the Noteholders.

(e) Notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders, the Paying Agents and the Agent Bank (with a copy to the Issuer when the Meeting is convened by the Note Trustee or, where the relevant Meeting was convened by the Issuer and the Note Trustee) within 14 calendar days of the conclusion of the Meeting.

14.3 Definition of "outstanding"

For the purposes of the right of Noteholders to vote (including, without limitation, the related right to attend any meeting) and the passing of any resolutions, in each case, in connection with any Reserved Matter, those Notes (if any) which are for the time being held by the Swap Counterparty or its Affiliates shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

15. Modification and Waiver

15.1 Note Trustee

The Note Trustee may (and may direct the Security Trustee to), without the consent of the Noteholders or any other Secured Party and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time:

(a) authorise or waive any proposed breach or breach of any of the covenants or provisions contained in these Conditions or in any Transaction Document or determine that any Event of Default shall not be treated as an Event of Default for the purposes of these Conditions, if and in so far as in its opinion the interests of the Noteholders will not be materially prejudiced thereby; or

(b) agree to any modification of these Conditions or any Transaction Document if: (1) (other than in respect of a Reserved Matter) in the sole opinion of the Note Trustee, such modification will not be materially prejudicial to the interests of any Noteholders; or (2) in the sole opinion of the Note Trustee, such modification is of a formal, minor or technical nature or is to correct a manifest error or an error proven to the satisfaction of the Note Trustee; or (3) such modification has been requested in writing by the Issuer to allow it to comply with the requirements as may be prescribed by any stock exchange, competent listing authority and/or quotation system and/or regulated market (if any and if so required by the rules thereof) on which or by which the Notes are then listed, quoted and/or traded in respect of the listing of the Notes from time to time.

15.2 Notification

Any such authorisation, waiver or modification shall be made on terms and subject to such conditions as may seem fit and proper to the Note Trustee and shall be binding on the Noteholders and, if the Note Trustee so requires, the Issuer shall cause such modification to be notified to the relevant Noteholders in accordance with these Conditions as soon as practicable thereafter. If making any such notification to the relevant Noteholders, the Issuer shall in addition cause such modification to be notified to each stock exchange, competent listing authority, quotation system and/or regulated market (if any and if so required by the rules thereof) on which or by which the Notes are then listed, quoted and/or traded.

15.3 Security Trustee

Subject as provided in the Security Trust Deed, the Security Trustee shall, without the consent of any Secured Party and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if so directed by the Note Trustee with the prior written consent of the Instructing Party:

(a) authorise or waive any proposed breach or breach of any of the covenants or provisions contained in the Security Trust Deed or in any other Transaction Document; or

(b) concur with the Issuer and any other party to the Transaction Documents in making any modification to the Conditions, the Security Trust Deed, or any other Transaction Documents.

15.4 Binding

Any such authorisation, waiver or modification shall be made on terms and subject to such conditions as may seem fit and proper to the Note Trustee with respect to such modification, waiver or authorisation and shall be binding on the Secured Parties.

15.5 No obligation to act

Notwithstanding any other Condition hereof or the provisions of the Security Trust Deed and the Note Trust Deed, neither the Note Trustee nor the Security Trustee shall be obliged to agree to any amendment or modification, waiver or substitution which in the opinion of the Note Trustee or the Security Trustee, as the case may be, would have the effect of:

(a) exposing the Note Trustee or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or

(b) increasing the obligations or duties or decreasing the protections of the Note Trustee or the Security Trustee in these Conditions or any Transaction Document.

16. Substitution of the Issuer

Subject to the provisions of the Security Trust Deed and the Note Trust Deed, the Note Trustee may agree, and the Security Trustee shall agree if so directed by the Note Trustee, to a written request from the Issuer, without the consent of the Noteholders or any other Secured Party but subject to (i) the prior written consent of the Swap Counterparty (which consent shall not be unreasonably withheld or delayed); and (ii) such amendment to the Security Trust Deed, the Note Trust Deed and such other conditions as the Note Trustee and the Security Trustee may require or agree, that another entity incorporated or formed in another jurisdiction from that of the Issuer's be substituted in place of the Issuer as principal debtor under the Security Trust Deed and/or the Note Trust Deed and/or the Notes and/or as a party to any Transaction Document, *provided* that, among other things, in the sole opinion of the Note Trustee, such substitution will not be materially prejudicial to the interests of the Noteholders.

17. Enforcement

17.1 Security Trustee Action

Subject to the terms of the Security Trust Deed, after the Enforcement Date, the Security Trustee or any Receiver, may at its discretion and without notice, institute or take such proceedings against the Issuer as it thinks fit to enforce its rights under the Security Trust Deed or the other Transaction Documents in respect of the Notes or the Security, but it shall not be bound to take any such action unless:

(a) it has received a Note Default Notice; or

(b) it has been so requested in writing by the Instructing Party; or

(c) otherwise instructed by the Note Trustee (acting as directed by the Noteholders in accordance with the Note Trust Deed),

and, in any case, it has been indemnified and/or secured and/or prefunded to its satisfaction.

17.2 Conflicting Instructions

To the extent that any such directions in relation to Condition 17.1 (*Security Trustee Action*) received from the Instructing Party and the Note Trustee conflict, the Security Trustee will act in accordance with the instructions of the Instructing Party, save that if the Security Trustee has commenced any actions or proceedings on the basis of instructions received from the Instructing Party or the Note Trustee prior to receiving any conflicting instructions, the Security Trustee will be entitled to proceed on the basis of the instructions first received regardless of whether the Instructing Party or the Note Trustee gave such instructions and shall have no liability for so doing.

18. Limited Recourse and No Petition

18.1 Limited Recourse

The Notes will be limited recourse obligations of the Issuer. Notwithstanding any provisions of the Security Documents or of any Transaction Document, all payments of principal and interest to be made by the Issuer under the Notes and all payments to be made by the Issuer to the Secured Parties under the Transaction Documents will be payable only from the sums paid to, or net proceeds recovered by or on behalf of, the Issuer or the Security Trustee in respect of the Charged Assets and in accordance with the priority of application specified in Clause 9 (*Priority of Application*) of the Security Trust Deed. There will be no other assets of the Issuer available for any further payments by the Issuer. The Security Trustee and each other Secured Party will look solely to such sums, proceeds and the rights of the Issuer in respect of the Charged Assets in accordance with the terms of the Security Documents for payments to be made by the Issuer. Having enforced the Security and distributed the net proceeds thereof in accordance with the terms of the Security Trust Deed, none of the Security Trustee or any other Secured Party may take any further steps against the Issuer to recover any unpaid sum or undischarged payment obligation and the Issuer's liability for any such sum shall be extinguished.

18.2 Security Trustee only to Enforce

Only the Security Trustee may pursue the remedies available under applicable laws, under the Notes, the Security Documents and the other Transaction Documents to enforce the rights of the Secured Parties against the Issuer and no other Secured Party shall be entitled to proceed directly against the Issuer unless the Security Trustee, having become bound to proceed in accordance with the terms of the Security Documents after an Event of Default under these Conditions or an Enforcement Event has occurred, fails to do so within a reasonable time and such failure is continuing *provided* that nothing in this Condition 18.2 shall limit the exercise of the powers, trusts, authorities, duties and discretions of the Note Trustee under the Note Trust Deed.

18.3 No Petition

Neither the Security Trustee nor any other Secured Party shall be entitled to petition or take any other step for the winding-up, reorganisation, administration, liquidation, bankruptcy, insolvency or other analogous proceeding of the Issuer for so long as any Note is outstanding or for one year and a day after all amounts outstanding under the Transaction Documents have been paid in full, *provided* that the Security Trustee may prove or lodge a claim in liquidation of the Issuer initiated by another party and *provided further* that the Security Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under the Security Documents.

19. Directors, Shareholders and Officers

No person shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligation, covenant or agreement entered into or made by the Issuer pursuant to the Security Documents, the Notes or any other Transaction Document to which it is a party or any notice or document which it is requested to deliver hereunder or thereunder. It being expressly understood and agreed that the Issuer's obligations under the Transaction Documents are corporate obligations of the Issuer and no liability shall attach to or be incurred by the shareholders, officers, agents or directors of the Issuer as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained within the Transaction Documents or implied therefrom, and any or all personal liability for breaches by the Issuer of any such obligations, covenants or agreements either by law or by statute of constitution, of every such shareholder, officer, agent or director is hereby expressly waived as a condition of and in consideration for the execution of the Transaction Documents.

20. Notices

Notices to the Noteholders shall be published in a leading newspaper having general circulation in Ireland (which is expected to be *The Irish Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe if such publication is requested by the competent listing authority on which or by which the Notes are listed or for so long as the Notes are listed on the Irish Stock Exchange, and the rules of the Irish Stock Exchange so permits, such notices may be published on the website of the Irish Stock Exchange. Any such notice shall be deemed to have been given on the date of first publication.

21. Contracts (Rights Of Third Parties) Act 1999

No person will have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

22. Governing Law and Jurisdiction

22.1 Governing law

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

22.2 Jurisdiction

(a) The Issuer has in the Note Trust Deed (i) submitted irrevocably to the non-exclusive jurisdiction of the courts of England for the purposes of hearing and determining any suit, action or proceedings or settling any disputes arising out of or in connection with the Note Trust Deed or the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with such documents); (ii) waived any objection which it might have to any such courts being nominated as the forum to hear and determine any such suit, action or proceedings or to settle any such disputes and agreed not to claim that any such court is not a convenient or appropriate forum; and (iii) designated Maples and Calder, 11th Floor, 200 Aldersgate Street, London EC1A 4HD, attention: Corporate Department/Process Agency to accept service of any process on its behalf.

(b) The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Note Trustee, the Security Trustee or any of the Noteholders to take proceedings in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

23. Agreed Upon Procedures

None of the Issuer, the Administrator, the Swap Counterparty, the Arranger, the Lead Manager, the Note Trustee or the Security Trustee will be liable for any loss suffered by any Noteholder which arises as a result of the Agreed Upon Procedures (as defined in the Credit Default Swap) being insufficient for either:

(a) any Noteholder's purposes; or

(b) the Issuer's purposes, the Administrator's purposes, the Note Trustee's purposes or the Security Trustee's purposes.

None of the Issuer, the Note Trustee, the Administrator or the Security Trustee has been involved in the negotiation of the Agreed Upon Procedures and none of the Issuer, the Administrator, the Swap Counterparty, the Arranger, the Lead Manager, the Note Trustee or the Security Trustee is responsible for determining whether the Agreed Upon Procedures are sufficient for any Noteholder’s purposes.

24. Definitions

In these Conditions, the following expressions have the meanings given to them below, or, where not otherwise defined herein, capitalised terms have the meaning given to them in the Note Trust Deed or Credit Default Swap, as appropriate.

"**Account Bank**" means SCB in its capacity as account bank under the Account Bank Agreement or any Successor thereto.

"**Account Bank Agreement**" means the account bank agreement executed on the Closing Date by the Issuer, the Account Bank and others or, at any time after such agreement is terminated (pursuant to the Collateral Switch Agreement or otherwise), any account bank agreement entered into from time to time

pursuant to the Collateral Switch Agreement substantially in the form of the Approved Form Account Bank Agreement (together with any agreement for the time being in force amending or supplementing such agreement).

"**Accounts**" means the Interest Collections Account and the Principal Collections Account.

"**Actual/360**" means, in relation to a period, the actual number of days in the period divided by 360.

"**Additional Amounts**" has the meaning given to it in Condition 9 (*Taxation*).

"**Additional Loss Payment**" means the additional credit protection payment that may, in certain circumstances specified in the Credit Default Swap, be payable by the Issuer to the Swap Counterparty and which shall constitute a Cash Settlement Amount in accordance with the Credit Default Swap.

"**Adjusted Cumulative Loss Amount**" has the meaning given to it in the Credit Default Swap.

"**Adjusted Note Recovery Amount**" has the meaning given to Note Recovery Amount in Condition 6.11 (*Principal Reinstatements*) as applied by the definition of Adjusted Outstanding Principal Balance.

"**Adjusted Outstanding Principal Balance**" means:

(a) with respect to the Notes on any date or time of determination, an amount equal to:

(i) the Initial Principal Balance of the Notes;

(ii) *minus* the aggregate amount of Assumed Loss Amounts that would have been allocated to the Notes in reduction of the Adjusted Outstanding Principal Balance of the Notes pursuant to Condition 6.10 (*Reduction of Outstanding Principal Balance*) on or before such date or time if references in Condition 6.10 (*Reduction of Outstanding Principal Balance*) (other than the first and last sentences thereof) to:

(A) "Defaulted Notional Amount" or "Defaulted Notional Amounts" were references to "Assumed Loss Amount" or "Assumed Loss Amounts";

(B) "Outstanding Principal Balance" were references to "Adjusted Outstanding Principal Balance";

(C) "Outstanding Principal Balance Reduction Amount" were references to "Adjusted Outstanding Principal Balance Reduction Amount"; and

(D) "Unutilised Threshold Balance" were references to "Adjusted Unutilised Threshold Balance";

(iii) *plus* the aggregate amount of Adjusted Reinstatement Amounts, if any, that would have been applied in the reinstatement of the Adjusted Outstanding Principal Balance of the Notes made pursuant to Condition 6.11 (*Principal Reinstatements*) on or before such date or time if references in Condition 6.11 (*Principal Reinstatements*) (other than the last sentence thereof) to:

(A) "Outstanding Principal Balance" were references to "Adjusted Outstanding Principal Balance";

(B) "Defaulted Notional Amount" were references to "Assumed Loss Amount";

(C) "Note Recovery Amount" were references to "Adjusted Note Recovery Amount";

(D) Condition 6.10 (*Reduction of Outstanding Principal Balance*) were references to Condition 6.10 (*Reduction of Outstanding Principal Balance*) as modified by paragraph (ii) above; and

(E) "Reinstatement Amount" were references to "Adjusted Reinstatement Amount";

(iv) *minus* the aggregate amount of Additional Loss Payments, if any, allocated to the Notes in reduction of the Outstanding Principal Balance of the Notes pursuant to Condition 6.10 (*Reduction of Outstanding Principal Balance*) on or before such date or time; and

(v) *minus* the aggregate amount of payments, if any, of principal made in respect of the Notes on or before such date or time; and

(b) with respect to a Note on any date or any time of determination, a proportion of the Adjusted Outstanding Principal Balance of the Notes on that date or time of determination equal to the proportion that the Initial Principal Balance of the relevant Note bears to the Initial Principal Balance of the Notes,

in each case, as determined by the Calculation Agent.

"**Adjusted Outstanding Principal Balance Reduction Amount**" has the meaning given to Outstanding Principal Balance Reduction Amount in Condition 6.10 (*Reduction of Outstanding Principal Balance*) as applied by the definition of Adjusted Outstanding Principal Balance.

"**Adjusted Reinstatement Amount**" has the meaning given to Reinstatement Amount in Condition 6.11 (*Principal Reinstatements*) as applied by the definition of Adjusted Outstanding Principal Balance.

"**Adjusted Threshold Balance**" has the meaning given to it in Condition 6.11 (*Principal Reinstatements*).

"**Adjusted Unutilised Threshold Balance**" has the meaning given to Unutilised Threshold Balance in Condition 6.10 (*Reduction of Outstanding Principal Balance*) as applied by the definition of Adjusted Outstanding Principal Balance.

"**Administration and Cash Management Agreement**" means the administration and cash management agreement dated the Closing Date between the Issuer, the Administrator and others, together with any agreement for the time being in force amending or supplementing such agreement.

"**Administrator**" means The Bank of New York Mellon, London Branch in its capacity as administrator under the Administration and Cash Management Agreement or any Successor thereto.

"**Affiliate**" has the meaning given to it in the Credit Default Swap.

"**Agency Agreement**" has the meaning given to it in the preamble to the Conditions.

"**Agent Bank**" has the meaning given to it in the preamble to the Conditions.

"**Agents**" has the meaning given to it in the preamble to the Conditions.

"**Aggregate Make-up Amount**" means, in respect of each Payment Date, the aggregate of all Make-up Amounts (whether positive or negative) in respect of (i) each Liquidated Reference Obligation which became a Liquidated Reference Obligation during the Calculation Period in respect of that Payment Date (or if such Payment Date is a Deferred Payment Date, during the Calculation Period immediately preceding such Calculation Period) and (ii) each Defaulted Reference Obligation in respect of which the related Credit Event has been Cured during the Calculation Period in respect of that Payment Date (or if such Payment Date is a Deferred Payment Date, during the Calculation Period immediately preceding such Calculation Period). The Aggregate Make-up Amount can be either a positive or a negative number.

"**Aggregate Make-up Compound Amount**" means, in respect of each Payment Date, the aggregate of all Make-up Compound Amounts (whether positive or negative) in respect of (i) each Liquidated Reference Obligation which became a Liquidated Reference Obligation during the Calculation Period in respect of that Payment Date (or if such Payment Date is a Deferred Payment Date, during the Calculation Period immediately preceding such Calculation Period) and (ii) each Defaulted Reference Obligation in respect of which the related Credit Event has been Cured during the Calculation Period in respect of that Payment Date (or if such Payment Date is a Deferred Payment Date, during the Calculation Period immediately preceding such Calculation Period). The Aggregate Make-up Compound Amount can be either a positive or a negative number.

"**Amortisation Notification Date**" means, in respect of each Interest Period each date falling 5 Business Days prior to the first day of such Interest Period (or, in the case of the first Interest Period, the Initial Portfolio Composition Date).

"**Amortisation Period**" means each period beginning on (and including) an Amortisation Notification Date and, ending on (but excluding) the following Amortisation Notification Date.

"**Amortised Amount**" has the meaning given to it in the Credit Default Swap.

"**Approved Form**" means:

(a) with respect to the Repurchase Agreement, the form of the repurchase agreement attached as Schedule 1 to the Collateral Switch Agreement;

(b) with respect to the Custody Agreement, the form of the custody agreement attached as Schedule 2 to the Collateral Switch Agreement; and

(c) with respect to the Account Bank Agreement, an agreement substantially in the form of the Account Bank Agreement executed on the Closing Date by the Issuer, the Account Bank and others.

"**Assumed Loss Amount**" means, with respect to any Defaulted Reference Obligation, an amount equal to the product of (a) the Defaulted Notional Amount of such Defaulted Reference Obligation, and (b) 60 per cent.

"**Budgeted Expenses**" means, as of any Fixed Rate Payer Payment Date, the Expenses which the Calculation Agent and the Swap Counterparty, after consultation with the Administrator, are informed as of the 4th Business Day preceding such Fixed Rate Payer Payment Date (or, in the case of the first Fixed Rate Payer Payment Date, on the Closing Date), will fall due to be paid by the Issuer on or prior to the next following Fixed Rate Payer Payment Date or which have become due and payable and have not been previously funded by the Swap Counterparty.

"**Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange currency deposits) in New York, Singapore and London.

"**Calculation Agent**" means SCB in its capacity as the calculation agent under the Credit Default Swap or any Successor thereto.

"**Calculation Period**" means each period from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date *provided* that the first Calculation Period shall commence on (and include) the Closing Date. In respect of each Interest Payment Date, the applicable Calculation Period shall be the Calculation Period ending on (but excluding) that Interest Payment Date.

"**Cash Settlement Amount**" means each credit protection payment (including for the avoidance of doubt each Additional Loss Payment) that the Issuer is, pursuant to the Credit Default Swap, obliged to pay to the Swap Counterparty.

"**Cash Settlement Date**" has the meaning given to it in the Credit Default Swap.

"**Centre of Main Interests**" means, in relation to a person, its centre of main interests within the meaning of the EC Regulation on Insolvency Proceedings 2000.

"**Charged Assets**" has the meaning given to it in Condition 3.1 (*Security*).

"**Clean-up Event**" has the meaning given to it in the Credit Default Swap.

"**Clearstream**, **Luxembourg**" means Clearstream Banking, société anonyme, Luxembourg or any successor in business thereto.

"**Closing Date**" means 28 June 2012.

"**Collateral Income Proceeds**" means, on any date, interest earned on the Principal Collections Account (or during any Repo Existence Period, Repo Premium) and the Interest Collections Account that are paid to the Issuer from time to time.

"**Collateral Investment**" means, as at any date of determination, (a) if as at such date the proceeds of the Notes (or the remainder thereof) are held in the Principal Collections Account, the cash deposit thereunder, or (b) if as at such date the proceeds of the Notes (or the remainder thereof) are invested in Repo Collateral pursuant to a Repurchase Agreement, the investment thereunder.

"**Collateral Principal Proceeds**" means on any date, (a) if the proceeds of the Notes (or the remainder thereof) are deposited into the Principal Collections Account, the proceeds of such account, or (b) if the proceeds of the Notes (or the remainder thereof) are invested in Eligible Securities pursuant to a Repurchase Agreement, the Repo Proceeds credited to the Principal Collections Account.

"**Collateral Switch Agreement**" means the collateral switch agreement dated the Closing Date between the Issuer, the Administrator, the Swap Counterparty and the Security Trustee, together with any agreement for the time being in force amending or supplementing such agreement.

"**Compounded Interest Amount**" means, in respect of each Regular Interest Amount, the amount of interest which would have accrued at USD LIBOR in respect of that Regular Interest Amount during the applicable Excess Adjustment Compounding Period, with such amount compounding on each Payment Date during the applicable Excess Adjustment Compounding Period.

"**Conditions**" has the meaning given to it in the preamble to the Conditions.

"**Corporate Services Agreement**" means the corporate services agreement dated on or about 20 June 2012 between the Issuer and the Corporate Services Provider, together with any agreement for the time being in force amending or supplementing such agreement.

"**Corporate Services Provider**" means MaplesFS Limited in such capacity under the Corporate Services Agreement and the Registered Office Agreement or any Successor thereto.

"**Credit Default Swap**" means the credit default swap transaction entered into on the Closing Date between the Issuer and the Swap Counterparty and documented under the ISDA Master Agreement.

"**Credit Event**" has the meaning given to it in the Credit Default Swap.

"**Credit Event Monitor Agent**" means SCB in its capacity as the credit event monitor agent under the Credit Default Swap or any Successor thereto.

"**Cured**" has the meaning given to it in the Credit Default Swap.

"**Custodian**" means any entity having the Required Custodian Rating as may be selected by the Swap Counterparty in accordance with the terms of the Collateral Switch Agreement.

"**Custody Account**" means, during any Repo Existence Period, the custody securities account or accounts specified as such in or pursuant to any Custody Agreement or such other account or accounts as the Security Trustee, the Issuer and the Swap Counterparty may agree to substitute in place thereof.

"**Custody Agreement**" means, during any Repo Existence Period, any custody agreement entered into pursuant to the Collateral Switch Agreement substantially in the form of the Approved Form Custody Agreement (together with any agreement for the time being in force amending or supplementing such agreement).

"**Default Market Value**" has the meaning given to it in the Repurchase Agreement.

"**Defaulted Notional Amount**" has the meaning given to it in the Credit Default Swap.

"**Defaulted Reference Obligation**" has the meaning given to it in the Credit Default Swap.

"**Deferred Payment Date**" has the meaning given to it in Condition 6.12 (*Interest on Principal Reinstatement*).

"**Designated Maturity**" means three months.

"**Distributable Principal Amount**" means, as of any date, an amount equal to the aggregate Outstanding Principal Balance of the Notes on such date (after giving effect to any adjustments applicable thereto as a result of the occurrence of any Event Determination Date or as a result of any Additional Loss Payment to be paid by the Issuer on such date or any Reinstatement Amount to be applied thereto on such date or applied in the immediately preceding Interest Period but before giving effect to any adjustments applicable thereto as a result of any principal payments to be made on such date) *minus* the Payable Maximum Cash Settlement Amount (but for such purposes excluding the aggregate Defaulted Notional Amount of all Defaulted Reference Obligations and the aggregate Verified Loss Amount in respect of all Pending Liquidated Reference Obligations, in each case, used for determining such Payable Maximum Cash Settlement Amount).

"**Early Redemption Date**" means (a) the date, if any, on which the redemption of the Notes is accelerated pursuant to Condition 10.3 (*Acceleration and Enforcement*) or (b) the Tax Redemption Date or (c) the Swap Optional Termination Date.

"**Early Termination Date**" has the meaning given to it in the Credit Default Swap.

"**Eligible Securities**" has the meaning given to it in the Repurchase Agreement.

"**Enforcement Date**" has the meaning given to it in Condition 10.3(c) (*Acceleration and Enforcement*).

"**Enforcement Event**" means, any of the following events:

(a) the Security Trustee ceases to have a valid and enforceable security interest in all or, in the sole opinion of the Security Trustee, a material part of the Charged Assets;

(b) proceedings are initiated against the Issuer under any applicable Insolvency Law and such proceedings are not, in the sole opinion of the Security Trustee, being disputed in good faith and with a reasonable prospect of success, having received such legal advice and/or other professional advice as it may deem necessary and on which it may rely without any liability for so doing;

(c) a receiver, trustee, administrator, custodian, conservator or other similar official (a "**receiver**") is appointed pursuant to any Insolvency Law or any Security Document, in each case in relation to the Issuer or in relation to the whole or substantially the whole of the undertaking or assets of the Issuer;

(d) a winding-up petition is presented in respect of, or a distress or execution or other process is levied or enforced upon or sued out against, the whole or substantially the whole of the undertaking or assets of the Issuer and such possession or process, as the case may be, is not discharged or does not otherwise cease to apply within 30 calendar days;

(e) an application is made for the appointment of an administrator in relation to the Issuer;

(f) the Issuer is deemed by a court to be insolvent, bankrupt or unable to pay its debts;

(g) the Issuer initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a receiver or an administrator, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by the Security Trustee);

(h) in breach of Clauses 5.1(f) (*Comply with Transaction Documents*) and/or 5.2(j) (*Amendment of Transaction Documents*) of the Note Trust Deed, the Issuer concurs in the amendment or modification of any Transaction Document or agrees to waive or authorise any breach thereof without the prior written consent of the Security Trustee and such breach is, in the sole opinion of the Security Trustee (1) materially prejudicial to the interests of the Secured Parties and (2) incapable of remedy or, if capable of remedy, continues unremedied for a period of 30 calendar days following the delivery by the Security Trustee of written notice thereof to the Issuer; or

(i) the Account Bank becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or an administrator, liquidator or administrative or other receiver of it or of all or a substantial part of its property is appointed, or an order of any court is entered approving any petition filed by it or against it under the provisions of any applicable bankruptcy or insolvency law.

"**Enforcement Notice**" has the meaning given to it in Condition 10.3(b) (*Acceleration and Enforcement*).

"**Enforcement Order of Priority**" has the meaning given to it in Condition 7.3 (*Proceeds on Enforcement*).

"**Euroclear**" means Euroclear Bank S.A./N.V. or any successor in business thereto.

"**Event Determination Date**" has the meaning given to it in the Credit Default Swap.

"**Event of Default**" has the meaning given to it in Condition 10.1 (*Events of Default*).

"**Exceptional Expenses**" means any fees, expenses, out-of-pocket expenses, costs, liabilities or indemnity amounts or other amounts (inclusive of value added tax) which are (a) properly incurred or claimed by the Note Trustee, the Security Trustee, any Receiver or any Operating Creditor other than in the ordinary course of business as anticipated by the provisions of the relevant Transaction Documents and which are payable by the Issuer under a Transaction Document to which it is a party or (b) payable other than pursuant to a Transaction Document.

"**Excess Adjustment Amount**" means each Excess Loss Amount and each Late Recovery Amount.

"**Excess Adjustment Compounding Period**" means, in respect of each Regular Interest Amount, the period commencing on (and including) the Payment Date to which that Regular Interest Amount relates to (and including) the Reinstatement Date relating to the Loss Adjustment Payment.

"**Excess Adjustment Period**" means, in respect of each Excess Adjustment Amount, the period commencing on (and including) the Payment Date immediately following the Event Determination Date in respect of the Reference Obligation to which that Excess Adjustment Amount relates to (and including) the Reinstatement Date relating to the Loss Adjustment Payment.

"**Excess Loss Amount**" has the meaning given to it in the Credit Default Swap.

"**Expenses**" means, any fees, expenses, costs, liabilities or indemnity amounts or other amounts including Exceptional Expenses (including value added tax) which are properly incurred and in respect of which an invoice has been delivered by the Security Trustee, the Note Trustee, any Receiver or any Operating Creditor to the Issuer and copied to the Swap Counterparty and the Administrator and which are payable by the Issuer.

"**Extraordinary Resolution**" means a resolution passed at a Meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed, by a majority of not less than three quarters of the votes cast.

"**Final Maturity Date**" has the meaning given to it in Condition 6.5 (*Final Redemption*).

"**Final Payment Date**" means the date on which the last outstanding Notes are redeemed in full or, if earlier, the Payment Date on or immediately following the date upon which the Tranche Notional Amount is zero.

"**Fixed Rate Payer Payment Date**" means the Closing Date and each Payment Date.

"**Following Business Day Convention**" means that, if any Payment Date (or other relevant date) would otherwise fall on a day which is not a Business Day, it will be postponed to the following Business Day.

"**Holder**" has the meaning given to it in Condition 2.1 (*Register*).

"**Income**" means any interest, dividends and other distributions earned in respect of any Repo Collateral and payable to any Repo Counterparty subject to and in accordance with any Repurchase Agreement.

"**Initial Portfolio Composition Date**" means 15 June 2012.

"**Initial Portfolio Notional Amount**" has the meaning given to it in the Credit Default Swap.

"**Initial Principal Balance**" means (a) USD 105,000,000; and (b) with respect to a Note, such Note's *pro rata* share of the Initial Principal Balance of the Notes (*provided* that, at any time, the Initial Principal Balance of all the Notes will equal the Initial Principal Balance).

"**Insolvency Law**" has the meaning given to it in Condition 10.1(d) (*Insolvency proceedings*).

"**Instructing Party**" means, the Swap Counterparty unless a Swap Event of Default has occurred under the Credit Default Swap, in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Credit Default Swap), after the occurrence of which "**Instructing Party**" shall mean the Note Trustee.

"**Interest Amount**" means, with respect to the Notes and any Interest Period, the amount of interest payable in respect of the Notes in respect of such Interest Period as determined in accordance with Condition 5.3 (*Calculation of Interest Amount*).

"**Interest Collections**" means, for any Payment Date, the sum of the funds standing to the credit of, or credited to, the Interest Collections Account on such date.

"**Interest Collections Account**" means the segregated account specified as such in or pursuant to the Account Bank Agreement or such other account as the Security Trustee, the Issuer and the Swap Counterparty may agree to substitute in place thereof.

"**Interest Deduction Amount**" has the meaning given to it in Condition 6.12 (*Interest on Principal Reinstatement*).

"**Interest Determination Date**" means, in respect of an Interest Period, the second London Banking Day preceding the first day of such Interest Period.

"**Interest Margin**" has the meaning given to it in Condition 5.2 (*Rate of Interest*).

"**Interest Payment Date**" means 28 March, 28 June, 28 September and 28 December of each year, from and including 28 September 2012 to and including the Final Maturity Date (in each case subject to the Following Business Day Convention).

"**Interest Period**" means each period beginning on (and including) the Closing Date or any Interest Payment Date and, in each case, ending on (but excluding) the following Interest Payment Date.

"**Interest Reduction Amount**" has the meaning given to it in Condition 6.12 (*Interest on Principal Reinstatement*).

"**ISDA Master**" means the 2002 ISDA Master Agreement together with a schedule thereto to be entered into on the Closing Date between the Issuer and the Swap Counterparty together with any agreement for the time being in force amending or supplementing such agreement.

"**ISDA Master Agreement**" means the ISDA Master together with the Swap Confirmation together with any agreement for the time being in force amending or supplementing such agreement.

"**Issuer**" has the meaning given to it in the preamble to the Conditions.

"**Issuer Transaction Fee**" means USD 250 payable on the Closing Date.

"**Late Recovery Amount**" has the meaning given to it in the Credit Default Swap.

"**Liabilities**" means any loss, damage, cost, charge, claim, demand, expense, fee, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis and "**Liability**" shall be construed accordingly.

"**Liquidated Reference Obligation**" has the meaning given to it in the Credit Default Swap.

"**Listing Agent**" means NCB Stockbrokers Limited or any other listing agent that may at any time or from time to time be appointed by the Issuer in respect of the Notes.

"**Local Business Day**" has the meaning given to it in Condition 8.4 (*Payments on Business Days*).

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

"**Loss Adjustment Payment**" means a reimbursement of credit protection payment that may, in certain circumstances specified in the Credit Default Swap, be payable by the Swap Counterparty to the Issuer.

"**Make-up Amount**" means:

(a) in respect of each Liquidated Reference Obligation and each Payment Date occurring during the applicable Make-up Period:

(i) if the Make-up Component Amount in respect of a Liquidated Reference Obligation is a positive number, an amount (expressed as positive number) equal to the amount by which the amount of interest payable in respect of the Notes in respect of that Payment Date would have exceeded the actual amount of interest paid in respect of the Notes if the Adjusted Outstanding Principal Balance of the Notes had not been reduced by that portion of the Make-up Component Amount in respect of that Liquidated Reference Obligation which was applied in reduction of the Adjusted Outstanding Principal Balance of the Notes; and

(ii) if the Make-up Component Amount in respect of a Liquidated Reference Obligation is a negative number, an amount (expressed as negative number) equal to the amount by which the amount of interest payable in respect of the Notes in respect of that Payment Date would have been lower than the actual amount of interest paid in respect of the Notes if the Adjusted Outstanding Principal Balance of the Notes had been further reduced by the absolute value of that portion of the Make-up Component Amount in respect of that Liquidated Reference Obligation which would have been applied in reduction of the Adjusted Outstanding Principal Balance of the Notes; and

(b) in respect of each Defaulted Reference Obligation in respect of which the related Credit Event has been Cured and each Payment Date occurring during the applicable Make-up Period, an amount (expressed as positive number) equal to the amount by which the amount of interest payable in respect of the Notes in respect of that Payment Date would have exceeded the actual amount of interest paid in respect of the Notes if the Adjusted Outstanding Principal Balance of the Notes had not been reduced by that portion of the Assumed Loss Amount of the relevant Defaulted Reference Obligation which was applied in reduction of the Adjusted Outstanding Principal Balance of the Notes.

"**Make-up Component Amount**" means, in respect of each Liquidated Reference Obligation, an amount equal to (i) the Assumed Loss Amount in respect of the relevant Reference Obligation *minus* (ii) the

Verified Loss Amount in respect of that Reference Obligation. The Make-up Component Amount may be either a positive or a negative number.

"**Make-up Compound Amount**" means, in respect of each Make-up Amount, the amount of interest which would have accrued at USD LIBOR in respect of that Make-up Amount during the applicable Make-up Compounding Period, with such amount compounding on each Payment Date during the applicable Make-up Compounding Period. If the Make-up Amount is a positive number then the Make-up Compound Amount shall be expressed as a positive number. If the Make-up Amount is a negative number then the Make-up Compound Amount shall be expressed as a negative number.

"**Make-up Compounding Period**" means (a) in respect of each Make-up Amount under paragraph (i) of "Make-up Amount" (above), the period commencing on (and including) the Payment Date to which that Make-up Amount relates to (and including) the Payment Date immediately following the date on which the Verified Loss Amount is determined in respect of that Liquidated Reference Obligation to which that Make-up Amount relates (or, if such Payment Date falls less than 2 Business Days after such date and such Payment Date is not the Final Payment Date, the immediately following Payment Date) and (b) in respect of each Make-up Amount under paragraph (ii) of "Make-up Amount" (above), the period commencing on (and including) the Payment Date to which that Make-up Amount relates to (and including) the Payment Date immediately following the date on which the Credit Event in respect of that Defaulted Reference Obligation to which that Make-up Amount relates is Cured (or, if such Payment Date falls less than 2 Business Days after such date and such Payment Date is not the Final Payment Date, the immediately following Payment Date).

"**Make-up Period**" means (a) in respect of each Liquidated Reference Obligation, the period commencing on (and including) the Payment Date immediately following the Event Determination Date in respect of that Liquidated Reference Obligation to (and including) the Payment Date immediately following the date on which the Verified Loss Amount is determined in respect of that Liquidated Reference Obligation and (b) in respect of each Defaulted Reference Obligation in respect of which the related Credit Event has been Cured, the period commencing on (and including) the Payment Date immediately following the Event Determination Date in respect of that Defaulted Reference Obligation (such Event Determination Date to be determined as if the relevant Credit Event Notice has not been deemed rescinded as a result of the relevant Credit Event having been Cured) to (and including) the Payment Date immediately following the date on which the Credit Event in relation to that Defaulted Reference Obligation has been Cured.

"**Maximum Cash Settlement Amount**" has the meaning given to it in the Credit Default Swap.

"**Meeting**" means a meeting of Noteholders (whether originally convened or resumed following an adjournment).

"**Minimum Balance**" means:

(a) with respect to each Note, (i) if the Outstanding Principal Balance of such Note has been reduced pursuant to Condition 6.10 (*Reduction of Outstanding Principal Balance*) and the aggregate amount of such reduction has not been reinstated in full pursuant to Condition 6.11 (*Principal Reinstatements*), then prior to the Final Payment Date, USD 1 and (ii) otherwise, zero; and

(b) with respect to the Notes, the aggregate Minimum Balance of the Notes.

"**Minimum Denomination**" means USD 200,000 (and integral multiples of USD 10,000 in excess thereof).

"**Moody's**" means Moody's Investor Services Limited or any of its affiliates.

"**Note Default Notice**" has the meaning given to it in Condition 10.2 (*Note Default Notice*).

"**Note Default Notice Delivery Date**" has the meaning given to it in Condition 10.3(a) (*Acceleration and Enforcement*).

"**Note Recovery Amount**" has the meaning given to it in Condition 6.11 (*Principal Reinstatements*).

"**Note Relevant Date**" has the meaning given to it in Condition 9(b) (*Taxation*).

"**Note Trust Deed**" has the meaning given to it in the preamble to the Conditions.

"**Note Trustee**" has the meaning given to it in the preamble to the Conditions.

"**Noteholders**" has the meaning given to it in the preamble to the Conditions.

"**Notes**" has the meaning given to it in the preamble to the Conditions.

"**Notes Termination Date**" means the date which is the earliest to occur of (a) the Early Redemption Date, (b) the Enforcement Date, and (c) the Scheduled Maturity Date.

"**Operating Creditors**" means any of (a) any Agent, (b) the Administrator, (c) the Corporate Services Provider, (d) any taxing authority, (e) any director of the Issuer, (f) any Listing Agent, (g) the Issuer's auditors, (h) any accountant appointed pursuant to the Credit Default Swap, (i) any process agent of the Issuer, (j) any stock exchange on which the Notes are listed, (k) any taxing authority of the Issuer, (l) the Issuer's counsel and (m) any other party (other than the Swap Counterparty), from time to time a creditor of the Issuer in respect of whom its status as an Operating Creditor has been agreed by the Issuer and the Swap Counterparty.

"**Order of Priority**" means, in respect of any payment to be made by the Issuer before the Enforcement Date, the Pre-enforcement Order of Priority or, in respect of any payment to be made by the Issuer on or after the Enforcement Date, the Enforcement Order of Priority.

"**Outstanding Principal Balance**" means:

(a) with respect to the Notes on any date or time of determination, an amount equal to:

(i) the Initial Principal Balance of the Notes;

(ii) *minus* the aggregate amount of Defaulted Notional Amounts allocated to the Notes in reduction of the Outstanding Principal Balance of the Notes pursuant to Condition 6.10 (*Reduction of Outstanding Principal Balance*) on or before such date or time;

(iii) *plus* the aggregate amount of Reinstatement Amounts, if any, applied in the reinstatement of the Outstanding Principal Balance of the Notes made pursuant to Condition 6.11 (*Principal Reinstatements*) on or before such date or time;

(iv) *minus* the aggregate amount of Additional Loss Payments, if any, allocated to the Notes in reduction of the Outstanding Principal Balance of the Notes pursuant to Condition 6.10 (*Reduction of Outstanding Principal Balance*) on or before such date or time; and

(v) *minus* the aggregate amount of payments, if any, of principal made in respect of the Notes on or before such date or time; and

(b) with respect to a Note on any date or any time of determination, a proportion of the Outstanding Principal Balance of the Notes on that date or time of determination equal to the proportion that the Initial Principal Balance of the relevant Note bears to the Initial Principal Balance of the Notes,

in each case, as determined by the Calculation Agent.

"**Outstanding Repurchase Price**" has the meaning given to it in the Repurchase Agreement.

"**Payable Maximum Cash Settlement Amount**" has the meaning given to it in the Credit Default Swap.

"**Paying Agent**" and "**Paying Agents**" are defined in the preamble to the Conditions.

"**Payment Date**" means any Interest Payment Date or Redemption Date.

"**Pending Liquidated Reference Obligation**" has the meaning given to it in the Credit Default Swap.

"**Portfolio Notional Amount**" has the meaning given to it in the Credit Default Swap.

"**Potential Defaulted Reference Obligation**" has the meaning given to it in the Credit Default Swap.

"**Pre-enforcement Order of Priority**" means the order of priority for application of Interest Collections and Principal Collections as set out in Conditions 7.1 (*Application of Interest Collections*) and 7.2 (*Application of Principal Collections*), respectively.

"**Principal Collections**" means, for any Payment Date or, as the case may be, Cash Settlement Date, the sum of the funds standing to the credit of, or credited to, the Principal Collections Account on such date.

"**Principal Collections Account**" means the account specified as such in or pursuant to any Account Bank Agreement or such other account as the Security Trustee, the Issuer and the Swap Counterparty may agree to substitute in place thereof.

"**Principal Paying Agent**" has the meaning given to it in the preamble to the Conditions.

"**Rate of Interest**" has the meaning given to it in Condition 5.2 (*Rate of Interest*).

"**receiver**" has the meaning given to it in Condition 10.1(d) (*Insolvency proceedings*).

"**Receiver**" means a receiver or administrative receiver appointed pursuant to the Security Trust Deed and includes any receiver appointed pursuant to Section 29(2) of the Insolvency Act 1986 and more than one such receiver or administrative receiver and any substituted receiver or administrative receiver.

"**Redemption Amounts**" means, with respect to any Note and as at any date of determination, the aggregate sums paid by the Issuer, as at the date of determination, towards redemption of such Note pursuant to Conditions 6.1 (*Amortised Redemption*) or 6.2 (*Redemption on or after the Notes Termination Date*).

"**Redemption Date**" means (a) the Notes Termination Date, (b) each date upon which the Notes are redeemed in part pursuant to Condition 6.1 (*Amortised Redemption*) and (c) after the Notes Termination Date, each Interest Payment Date thereafter.

"**Reference Entity**" has the meaning given to it in the Credit Default Swap and "**Reference Entities**" shall be construed accordingly.

"**Reference Obligation**" has the meaning given to it in the Credit Default Swap.

"**Reference Obligation Notional Amount**" has the meaning given to it in the Credit Default Swap.

"**Reference Portfolio**" has the meaning given to it in the Credit Default Swap.

"**Registered Office Agreement**" means the registered office agreement dated 8 June 2012 between the Issuer and the Corporate Services Provider, together with any agreement for the time being in force amending or supplementing such agreement.

"**Regular Interest Amount**" means, in respect of each Excess Adjustment Amount and each Payment Date occurring during the applicable Excess Adjustment Period, an amount equal to the amount by which the amount of interest paid in respect of the Notes in respect of that Payment Date would have exceeded the actual amount of interest paid in respect of the Notes if the Adjusted Outstanding Principal Balance of the Notes had not been reduced by the amount of the Excess Adjustment Amount which was applied in reduction of the Adjusted Outstanding Principal Balance of the Notes.

"**Regulatory Event**" has the meaning given to it in the Credit Default Swap.

"**Reinstatement Amount**" has the meaning given to it in Condition 6.11 (*Principal Reinstatements*).

"**Reinstatement Date**" has the meaning given to it in Condition 6.11 (*Principal Reinstatements*).

"**Relevant Jurisdiction**" means the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

"**Relevant Lender**" has the meaning given to it in the Credit Default Swap.

"**Replenishment Period**" has the meaning given to it in the Credit Default Swap.

"**Repo Collateral**" means, at any time during any Repo Existence Period, all Eligible Securities purchased by the Issuer from the Repo Counterparty or delivered by the Repo Counterparty to the Issuer by way of margin or substitution (or, if applicable, the cash proceeds thereof) and which, at such time, have not been repurchased by or redelivered to the Repo Counterparty.

"**Repo Commencement Date**" means, during any Repo Existence Period, the date of the relevant Repurchase Agreement entered into at the commencement of such Repo Existence Period.

"**Repo Counterparty**" means any entity having the Required Repo CP Rating as may be selected by the Swap Counterparty in accordance with the terms of the Collateral Switch Agreement.

"**Repo Event of Default**" means, during any Repo Existence Period, an Event of Default as defined in the relevant Repurchase Agreement.

"**Repo Existence Period**" means any period during which the proceeds of the Notes (or the remainder thereof) are invested in Eligible Securities pursuant to a Repurchase Agreement.

"**Repo Premium**" means, during any Repo Existence Period, the repo premium payable by the Repo Counterparty to the Issuer pursuant to and as more fully described in the relevant Repurchase Agreement.

"**Repo Proceeds**" means, during any Repo Existence Period:

(a) as at the date of determination, if the Repurchase Agreement is accelerated as a result of a Repo Event of Default, the proceeds of sale of the Eligible Securities realised by or on behalf of the Issuer together with, or net of, any termination payment payable by the Repo Counterparty or the Issuer, respectively, calculated upon the netting of the obligation of the Repo Counterparty to pay the Outstanding Repurchase Price against the obligation of the Issuer to pay the Default Market Value of the Repo Collateral (together with accrued income thereon); or

(b) in any other circumstance, the Repurchase Price.

"**Repo Tax Event**" means a Repo Tax Event as defined in the Repurchase Agreement.

"**Repurchase Agreement**" means, during any Repo Existence Period, the global master repurchase agreement in respect of Eligible Securities entered into on the relevant Repo Commencement Date pursuant to the Collateral Switch Agreement and between the Issuer and the relevant Repo Counterparty substantially in the form of the Approved Form Repurchase Agreement (together with any agreement for the time being in force amending or supplementing such agreement).

"**Repurchase Date**" has the meaning given to it in the Repurchase Agreement.

"**Repurchase Price**" has the meaning given to it in the Repurchase Agreement.

"**Required Account Bank Rating**" means a long-term debt rating by Moody's of A3 and by S&P of A-, and a short-term debt rating by Moody's of P-1 and by S&P of A-1, *provided* that if no such long-term debt rating is available, Required Account Bank Rating shall mean a short-term debt rating by S&P of A-1.

"**Required Custodian Rating**" means a long-term debt rating by Moody's of A1 and a short-term debt rating by Moody's of P-1 and by S&P of A-1.

"**Required Repo CP Rating**" means a short-term debt rating by Moody's of P-1 and a long-term senior unsecured debt rating by Moody's of at least A2, and a short-term senior unsecured foreign currency debt rating by S&P of A-1, or, if a short-term senior unsecured foreign currency debt rating by S&P is not available, a long-term senior unsecured foreign currency debt rating by S&P of A+, *provided* that, if an entity has a short-term debt rating of P-1 by Moody's and a long-term senior unsecured debt rating of A2 by Moody's, it will not have the Required Repo CP Rating if it has been placed on negative credit watch by Moody's.

"**Reserve Expenses Amount**" means USD 250,000.

"**Reserved Matter**" has the meaning given to it in Condition 14 (*Meetings of Noteholders*).

"**Reuters Screen**" means, when used in connection with a designated page and a rate option, the display page so designated on Reuters service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor) for the purposes of displaying rates or prices comparable to that rate option.

"**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or any of its affiliates.

"**SCB**" means Standard Chartered Bank.

"**Scheduled Maturity Date**" means 28 December 2015 (subject to adjustment in accordance with the Following Business Day Convention).

"**Secured Obligations**" means all present and future obligations and liabilities (whether actual or contingent and whether jointly or severally or in any other capacity whatsoever) of the Issuer to the Secured Parties under the Transaction Documents.

"**Secured Parties**" means (a) the Account Bank, (b) the Administrator, (c) the Agents, (d) the Corporate Services Provider, (e) the Noteholders, (f) the Note Trustee, (g) any Receiver, (h) the Security Trustee, and (i) the Swap Counterparty (each, a "**Secured Party**").

"**Security**" means the security created by or pursuant to the Security Documents.

"**Security Documents**" means the Security Trust Deed, any security document incorporating appropriate local law security arrangements and any other security document purporting to create security entered into from time to time by the Issuer in favour of the Security Trustee for the benefit of the Secured Parties.

"**Security Trust Deed**" means the security trust deed dated the Closing Date between the Issuer, the Security Trustee and others, together with any agreement for the time being in force amending or supplementing such deed.

"**Security Trustee**" has the meaning given to it in the preamble to the Conditions.

"**Specified Office**" means, in relation to any Agent or the Listing Agent, either the office identified with its name in the Agency Agreement or any other office notified to any relevant parties pursuant to the Agency Agreement.

"**Subscription Agreement**" means the subscription agreement in respect of the Notes dated on or about 21 June 2012 between the Issuer and SCB together with any agreement for the time being in force amending or supplementing such agreement.

"**Successor**" means, in relation to any parties to a Transaction Document, such other or further person as may from time to time be appointed to act jointly with or in substitution of such party pursuant to, and subject to the provisions of, such Transaction Document.

"**Swap Acceleration Event**" means the occurrence of an Early Termination Date as a result of a Swap Event of Default occurring in relation to either the Issuer or the Swap Counterparty under the Credit Default Swap.

"**Swap Additional Amount**" has the meaning given to it in the Credit Default Swap.

"**Swap Confirmation**" means the written confirmation in respect of the Credit Default Swap dated the Closing Date between, among others, the Issuer and the Swap Counterparty together with any agreement for the time being in force amending or supplementing such transaction or agreement.

"**Swap Optional Termination Date**" has the meaning given to it in Condition 6.4 (*Designation of a Swap Optional Termination Date*).

"**Swap Event of Default**" means:

(a) with respect to the Issuer only, (i) a payment default (continuing for 1 Business Day or more) and (ii) certain bankruptcy-related events, and

(b) with respect to the Swap Counterparty only, (i) a payment default (continuing for 1 Business Day or more), (ii) certain bankruptcy-related events, (iii) misrepresentation, (iv) breach of agreement or repudiation of agreement and (v) merger without assumption of the Swap Counterparty's liabilities under the Credit Default Swap,

(each as more fully described in the Credit Default Swap).

"**Swap Counterparty**" means SCB or any Successor thereto.

"**Swap Premium**" means the swap premium payable by the Swap Counterparty as more fully described in the Credit Default Swap under "Fixed Payments – Fixed Amount".

"**Swap Tax Event**" has the meaning given to it in the Credit Default Swap.

"**Swap Termination Fee**" means the fee payable by the Issuer to the Swap Counterparty on the Final Payment Date in accordance with the Credit Default Swap.

"**Tax**" and "**Taxes**" are defined in Condition 9 (*Taxation*).

"**Tax Certificate**" means:

(a) with respect to the Issuer, a certificate of 2 of its directors stating that any obligation, imposition, withholding or deduction imposed on the Issuer or imposed on any payments to be made to the Issuer as a result of the events described in Condition 6.3(a)(i) to (iii) and (v) to (vii) cannot be avoided (without incurring additional cost) by the Issuer taking reasonable measures (including, in the case of Condition 6.3(a)(iii) and (vi), the replacement of the Repo Counterparty and/or substitution of the Repo Collateral and/or Collateral Investment) available to it; and

(b) with respect to the Swap Counterparty, a certificate of 2 of its managing directors (or equivalent level of seniority) stating that any imposition, withholding or deduction imposed on any payment

obligation of the Swap Counterparty under the Credit Default Swap cannot be avoided (without incurring additional cost) by the Swap Counterparty taking reasonable measures available to it.

"**Tax Redemption Date**" has the meaning given to it in Condition 6.3 (*Designation of a Tax Redemption Date*).

"**Tax Redemption Event**" has the meaning given to it in Condition 6.3 (*Designation of a Tax Redemption Date*).

"**Threshold Balance**" has the meaning given to it in the Credit Default Swap.

"**Tranche Loss**" has the meaning given to it in the Credit Default Swap.

"**Tranche Notional Amount**" has the meaning given to it in the Credit Default Swap.

"**Transaction Documents**" means the Administration and Cash Management Agreement, the Agency Agreement, the Account Bank Agreement, the Collateral Switch Agreement (including the Approved Form Custody Agreement and Approved Form Repurchase Agreement as set out therein), the Corporate Services Agreement, the Registered Office Agreement, the Credit Default Swap, the Notes, the Note Trust Deed, the Security Documents and the Subscription Agreement.

"**Trustees**" means each of the Note Trustee and the Security Trustee.

"**Unutilised Threshold Balance**" has the meaning given to it in Condition 6.10 (*Reduction of Outstanding Principal Balance*).

"**USD**", "**U.S. Dollars**" and "**U.S. Dollar**" each means the lawful currency of the United States of America.

"**USD LIBOR**" has the meaning given to it in Condition 5.2(a) (*Rate of Interest*).

"**Verified Loss Amount**" has the meaning given to it in the Credit Default Swap.

"**Voter**" has the meaning given to it in Schedule 4 of the Note Trust Deed.

"**Workout Cut-off Date**" has the meaning given to it in the Credit Default Swap.

"**Writedown Amounts**" has the meaning given to it in the Credit Default Swap.

FORM OF NOTES

The Notes be represented by a Regulation S Global Note Certificate. The Regulation S Global Note Certificate will be deposited with the Common Depositary.

Beneficial interests in the Regulation S Global Note Certificate will be subject to certain restrictions on transfer set forth therein and in the Note Trust Deed as described herein under "*Purchase and Transfer Restrictions*".

All or a portion of an interest in the Regulation S Global Note Certificate may be transferred to a person taking delivery in the form of an interest in the Regulation S Global Note Certificate, in accordance with the applicable procedures of Clearstream, Luxembourg or Euroclear (in addition to the procedures and restrictions set forth in the Note Trust Deed); *provided* that (i) any remaining principal amount of the transferor's interest in the Regulation S Global Note Certificate will either equal zero or meet the Minimum Denominations and (ii) such transfer, if made prior to the expiration of 40 days from the Closing Date, is made in an offshore transaction in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act and that the transferee, by purchase of such interest in the Regulation S Global Note Certificate, will be deemed to have made all representations, warranties and acknowledgements applicable to transfers or purchases of an interest in the Regulation S Global Note Certificate described under "*Purchase and Transfer Restrictions*".

The Notes may not be sold or, transferred to Benefit Plan Investors. See "*Certain ERISA And Other Considerations*" below.

Transfers of interests in the Regulation S Global Note Certificate are subject to certain additional restrictions. In particular, each transferee of an interest in a Regulation S Global Note Certificate will also be deemed to have made certain additional acknowledgments, representations and warranties as provided in the Note Trust Deed. See "*Purchase and Transfer Restrictions*".

Amendments to Conditions

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

Payments: Payments of principal and interest in respect of Notes represented by a Global Note Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Note Certificate to or to the order of the Registrar or such other Paying Agent as shall have been notified to the relevant Noteholders for such purpose.

Record Date: Notwithstanding Condition 8.6 (*Record Date*) of the Notes, while all the Notes are represented by the Global Note Certificate which is deposited with the Common Depositary, the Record Date will be the business day on which Euroclear and Clearstream, Luxembourg are open for business immediately prior to the relevant payment date.

Notices: Notwithstanding Condition 20 (*Notices*) of the Notes, while all the Notes are represented by the Global Note Certificate which is deposited with the Common Depositary, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as applicable) rather than by publication in accordance with Condition 20 (*Notices*) of the Notes, and for so long as the Notes are listed on the Irish Stock Exchange, and the rules of the Irish Stock Exchange so permit, publication on the website of the Irish Stock Exchange. Such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) of the Notes on the date of delivery to Euroclear and Clearstream, Luxembourg (as applicable).

Purchase and Cancellation: For so long as any Notes are represented by the Global Note Certificate, such Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

Exchange for Individual Note Certificates

Exchange

The Regulation S Global Note Certificate will be exchangeable, free of charge to the holder, in whole but not in part, for certificates in individual certificate form ("**Regulation S Individual Note Certificates**"):

(a) if the Global Note Certificate is held (directly or indirectly) on behalf of Euroclear and/or Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces that it is permanently to cease business or does in fact do so; or

(b) if the Issuer or any Paying Agent or any other person is or will be required to make any withholding or deduction from any payment in respect of the Notes for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature or the Issuer suffers or will suffer any other disadvantage as a result of such change, which withholding or deduction would not be required or other disadvantage would not be suffered (as the case may be) if the Notes were in individual certificate form.

The Registrar will not register the transfer of, or exchange of interests in, the Global Note Certificate for Individual Note Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Notes.

Delivery

In such circumstances, the Global Note Certificate shall be exchanged in full for Individual Note Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange), cause sufficient Individual Note Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in the Global Note Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Note Certificates.

Legends and Transfers

The holder of an Individual Note Certificate may transfer the Notes represented thereby in whole or in part in the applicable Minimum Denomination by surrendering it at the specified office of the Registrar, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of an Individual Note Certificate bearing the legend referred to under "*Purchase and Transfer Restrictions*", or upon specific request for removal of the legend on an Individual Note Certificate, the Issuer will deliver only Individual Note Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set out therein are required to ensure compliance with the provisions of the Securities Act.

Regulation S Individual Note Certificates will bear the same legend as the legend for the Regulation S Global Note Certificate for such as set out under "*Purchase and Transfer Restrictions*".

PURCHASE AND TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or transfer of the Notes.

The Notes have not been and will not be registered under the Securities Act or any state securities or "Blue Sky" laws or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described below.

Prospective Initial Investors in the Notes

Each prospective purchaser of the Notes offered in reliance on Regulation S (an "**Offeree**"), by accepting delivery of this Prospectus, will be deemed to have represented, acknowledged and agreed as follows:

(a) The Offeree is not a U.S. Person.

(b) The Offeree acknowledges that this Prospectus is personal to the Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes other than in offshore transactions in accordance with Regulation S. Distribution of this Prospectus or disclosure of any of its contents to any person other than the Offeree and those persons, if any, retained to advise the Offeree with respect thereto and other persons meeting the requirements of Regulation S is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

(c) The Offeree agrees to make no photocopies of this Prospectus or any documents referred to herein and, if the Offeree does not purchase the Notes or the offering is terminated, to return this Prospectus and all documents referred to herein to Standard Chartered Bank, Marina Bay Financial Centre (Tower 1), 8 Marina Boulevard, Level 20, Singapore 018981, Attention: Rahul Arora.

(d) The Offeree has carefully read and understands this Prospectus, including, without limitation, the "*Risk Factors*" section herein, and has based its decision to purchase the Notes upon the information contained herein and on written information, if any, provided to it by the Issuer and the Lead Manager and not on any other information.

(e) It is aware that the sale of Notes to it is being made in reliance on the exemption from registration provided by Regulation S and understands that the Notes offered in reliance on Regulation S will bear the legend set forth below and be represented by one Global Note Certificate.

Notes

Legend

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any Note is outstanding, the Notes, as applicable, will bear a legend substantially as set forth below:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS THAT IT HAS OBTAINED THIS NOTE IN A TRANSACTION IN COMPLIANCE WITH THE SECURITIES ACT AND ALL OTHER APPLICABLE LAWS OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THE RESTRICTIONS ON SALE AND TRANSFER SET FORTH IN THE NOTE TRUST DEED. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, FURTHER REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE (OR ANY INTEREST HEREIN) (I) EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND ALL OTHER APPLICABLE LAWS OF ANY JURISDICTION AND IN ACCORDANCE WITH THE RESTRICTIONS, CERTIFICATIONS AND OTHER REQUIREMENTS SPECIFIED IN THE NOTE TRUST DEED, AND (II) PRIOR TO THE EXPIRATION OF 40 DAYS FROM THE CLOSING DATE, EXCEPT IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN EACH CASE IN A PRINCIPAL AMOUNT WITH RESPECT TO EACH CLASS OF NOTES OF NOT LESS THAN USD200,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING. EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE NOTE TRUST DEED.

ANY SALE OR TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE NOTE TRUSTEE OR ANY INTERMEDIARY.

EACH TRANSFEROR OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE NOTE TRUST DEED TO THE TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO RESELL ANY

INTEREST IN THIS NOTE PREVIOUSLY TRANSFERRED TO HOLDERS NOT ELIGIBLE TO PURCHASE SUCH INTERESTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE NOTE TRUST DEED. HOWEVER, WITHOUT PREJUDICE TO THE RIGHTS OF THE ISSUER AGAINST ANY BENEFICIAL OWNER OR PURPORTED BENEFICIAL OWNER OF NOTES, NOTHING IN THE NOTE TRUST DEED OR THE NOTES SHALL BE INTERPRETED TO CONFER ON THE ISSUER, THE NOTE TRUSTEE OR ANY PAYING AGENT ANY RIGHT AGAINST EUROCLEAR AND/OR CLEARSTREAM, LUXEMBOURG TO REQUIRE THAT EUROCLEAR AND/OR CLEARSTREAM, LUXEMBOURG, AS THE CASE MAY BE, REVERSE OR RESCIND ANY TRADE COMPLETED IN ACCORDANCE WITH THE RULES OF EUROCLEAR AND/OR CLEARSTREAM, LUXEMBOURG, AS THE CASE MAY BE.

EACH PURCHASER AND TRANSFEREE OF A BENEFICIAL INTEREST IN THIS NOTE BY ITS PURCHASE, REPRESENTS, WARRANTS AND COVENANTS FOR THE BENEFIT OF THE ISSUER, THE INVESTMENT ADVISER AND THE ARRANGER THAT EITHER (I) IT IS NOT, AND IS NOT ACQUIRING AND HOLDING THIS NOTE ON BEHALF OF, ANY (A) "EMPLOYEE BENEFIT PLAN" WITHIN THE MEANING OF SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") SUBJECT TO TITLE I OF ERISA, (B) "PLAN" SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (C) PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY, (D) ENTITY THAT OTHERWISE CONSTITUTES A "BENEFIT PLAN INVESTOR" WITHIN THE MEANING OF SECTION 3(42) OF ERISA AND THE DEPARTMENT OF LABOR REGULATION, 29 C.F.R. SECTION 2510.3-101 (COLLECTIVELY, THE "PLAN ASSETS PROVISIONS") (THE PLANS AND ENTITIES DESCRIBED IN CLAUSES (A), (B), (C) AND (D) ABOVE BEING REFERRED TO AS "BENEFIT PLAN INVESTORS") OR (E) A GOVERNMENTAL PLAN, FOREIGN PLAN OR CHURCH PLAN SUBJECT TO ANY FEDERAL, STATE, FOREIGN OR LOCAL LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) IT IS A GOVERNMENTAL, FOREIGN OR CHURCH PLAN, AND ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE THROUGHOUT THE PERIOD THAT IT HOLDS THIS NOTE WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION OR ANOTHER VIOLATION OF ANY SIMILAR FEDERAL, STATE, FOREIGN OR LOCAL LAW. ANY PURPORTED HOLDING OF THIS NOTE BY A PURCHASER (OR AN INTEREST IN THIS NOTE) OR TRANSFER OF THIS NOTE (OR ANY INTEREST IN THIS NOTE) TO A TRANSFEREE THAT DOES NOT COMPLY WITH THE FOREGOING SHALL BE NULL AND VOID AB INITIO AND THE ISSUER MAY REQUIRE SUCH PURCHASER OR TRANSFEREE (AS APPLICABLE) TO SELL THEIR BENEFICIAL INTEREST IN THIS NOTE AND, IF SUCH HOLDER FAILS TO DO SO WITHIN 30 DAYS THEREOF, THE ISSUER MAY SELL SUCH INTEREST IN THIS NOTE ON BEHALF OF THE HOLDER.

[ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, THE BANK OF NEW YORK MELLON, LONDON BRANCH ("BNYM"), HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR AND CLEARSTREAM, LUXEMBOURG TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF BT GLOBENET NOMINEES LIMITED OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR AND CLEARSTREAM, LUXEMBOURG (AND ANY PAYMENT HEREON IS MADE TO BNYM).]*

[TRANSFER OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, AND NOT IN PART, TO NOMINEES OF EUROCLEAR AND CLEARSTREAM, LUXEMBOURG OR TO SUCCESSORS THEREOF OR SUCH SUCCESSORS' NOMINEE AND TRANSFERS OF INTERESTS IN THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE NOTE TRUST DEED.]*

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH IN THE NOTE TRUST DEED. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE PRINCIPAL PAYING AGENT.

THE HOLDER OF THIS NOTE ACKNOWLEDGES THAT NOTWITHSTANDING ANY OTHER PROVISION OF THE NOTE TRUST DEED OR ANY OTHER TRANSACTION DOCUMENT, ALL PAYMENTS OF PRINCIPAL, INTEREST OR ANY OTHER AMOUNT TO BE MADE BY THE ISSUER IN RESPECT OF THE NOTES OR UNDER ANY TRANSACTION DOCUMENT WILL BE PAYABLE PURSUANT TO THE PRIORITY OF PAYMENTS AND ONLY FROM, AND TO THE EXTENT OF, THE SUMS PAID TO, OR NET PROCEEDS RECOVERED BY OR ON BEHALF OF, THE ISSUER IN RESPECT OF THE SECURITY (AS DEFINED IN THE SECURITY TRUST DEED). IF THE PROCEEDS OF THE SECURITY (AS DEFINED IN THE SECURITY TRUST DEED) ARE NOT SUFFICIENT FOR THE ISSUER TO MEET ITS OBLIGATIONS IN RESPECT OF THE NOTES AND OTHER

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* Global Note Certificates only

TRANSACTION DOCUMENTS, NO OTHER ASSETS OF THE ISSUER WILL BE AVAILABLE TO MEET SUCH INSUFFICIENCY.

Initial Investors and Transferees of Interests in Regulation S Global Notes

Each initial investor in, and subsequent transferee of, an interest in the Regulation S Global Note Certificate will be deemed to have represented and agreed as follows:

(a) It understands that an investment in the Notes involves certain risks, including the risk of loss of all or a substantial part of its investment under certain circumstances. It has had access to such financial and other information concerning the Issuer and the Notes, as it deemed necessary or appropriate in order to make an informed investment decision with respect to its acquisition of the Notes, including an opportunity to ask questions of and request information from the Issuer. It understands that the Notes will be highly illiquid and are not suitable for short-term trading. It understands that it is possible that due to the structure of the transaction and the performance of the portfolio, payments on the Notes may be deferred, reduced or eliminated entirely. The Issuer has assets limited to the Security for payment of the Notes.

(b) It is aware that the sale of Notes to it is being made in reliance on the exemption from registration provided by Regulation S and understands that the Notes offered in reliance on Regulation S will bear the legend set forth above and be represented by a Regulation S Global Note Certificate, and that its purchase of the Notes will comply with all applicable laws in any jurisdiction in which it resides or is located.

(c) It understands that the Notes have been offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, the Notes have not been and will not be registered under the Securities Act and, if in the future it decides to offer, resell, pledge or otherwise transfer the Notes, such Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Note Trust Deed and the legend on such Notes. It acknowledges that no representation is made as to the availability of any exemption under the Securities Act or any state securities laws for resale of the Notes.

(d) In connection with the purchase of the Notes: (a) the Issuer is not acting as a fiduciary or financial or investment advisor for it; (b) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer or the Lead Manager (in their capacity as such) or any of their agents, other than any statements in a current Prospectus for such Notes and any representations expressly set forth in a written agreement with such party; (c) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer or the Lead Manager; (d) its purchase of the Notes will comply with all applicable laws in any jurisdiction in which it resides or is located; (e) it is acquiring the Notes as principal solely for its own account for investment and not with a view to the resale, distribution or other disposition thereof in violation of the Securities Act; (f) it has made investments prior to the date hereof and was not formed solely for the purpose of investing in the Notes; (g) it is not a (1) partnership, (2) common trust fund or (3) special trust, pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants may designate the particular investments to be made; (h) all Notes (together with any other securities of the Issuer) purchased and held directly or indirectly by it constitute in the aggregate an investment of no more than 40 per cent. of its assets or capital; and (i) it is a sophisticated investor and is purchasing the Notes with a full understanding of all of the terms, conditions and risks thereof and is capable of assuming and willing to assume those risks.

(e) In connection with the purchase of the Notes: that either (A) it is not (a) an "employee benefit plan" within the meaning of Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), subject to Title I of ERISA, (b) a "plan" subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**"), (c) a person or entity whose underlying assets include plan assets by reason of such employee benefit plan's or plan's investment in such entity, (d) an entity that otherwise constitutes a "benefit plan investor" within the meaning of Section 3(42) of ERISA and the Department of Labor regulation, 29 C.F.R. Section 2510.3-101 (collectively, the "Plan Assets Provisions") (the plans and entities described in clauses (a), (b), (c) and (d) above being referred to as "**Benefit Plan Investors**") or (e) a governmental plan, foreign plan or church plan subject to any federal, state, foreign or local law that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, or (B) it is a governmental plan, foreign plan or church plan and its purchase, holding and disposition of the applicable notes will not constitute or result in a non-exempt prohibited transaction or another violation of any similar federal, state, foreign or local law. Any purported holding of a Note by a purchaser (or an interest therein) or transfer of a Note (or any interest therein) to a transferee that does not comply with the foregoing shall be null and void *ab initio* and the Issuer may require such purchaser or transferee (as applicable) to sell their beneficial interest in the Note and, if such holder fails to do so within 30 days thereof, the Issuer may sell such interest in the Note on behalf of the holder.

(f) It is aware that, except as otherwise provided in the Note Trust Deed, the Notes being sold to it will be represented by a Global Note Certificate, and that beneficial interests therein may be held only through Euroclear or Clearstream, Luxembourg or one of their nominees, as applicable.

(g) It understands that the Issuer, the Note Trustee, the Security Trustee, the Lead Manager and their counsel will rely on the accuracy and truth of the foregoing representations, and it hereby consents to such reliance. It agrees that if any of the acknowledgments, representations or warranties made or deemed to have been made by it in connection with its purchase of the Notes are no longer accurate, it will promptly notify the Issuer and the Lead Manager.

Settlement

All payments shall be made in US dollars in same-day funds.

DESCRIPTION OF THE CREDIT DEFAULT SWAP

The following description of the Credit Default Swap consists of a summary of certain of its provisions and is qualified by reference to the detailed provisions of the Credit Default Swap to be entered into on the Closing Date. Prospective investors must refer to the Credit Default Swap for detailed information regarding the Credit Default Swap.

Documentation

On the Closing Date, the Issuer will enter into a credit derivative transaction (the "**Credit Default Swap**") with SCB as swap counterparty, calculation agent and credit event monitor agent (in each such capacity, the "**Swap Counterparty**", the "**Calculation Agent**" and the "**Credit Event Monitor Agent**", respectively). The Credit Default Swap will be evidenced by a confirmation (the "**Swap Confirmation**"), which shall be supplemental to the ISDA Master.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions (the "**2003 Definitions**"), each as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") are incorporated into the Swap Confirmation. In the event of any inconsistency between the 2003 Definitions and the Swap Confirmation, the Swap Confirmation will govern.

Noteholders are deemed to have notice of the provisions of the Credit Default Swap.

Reference Portfolio – Summary of Reference Portfolio

The portfolio in respect of which the Credit Default Swap is entered into (as the same may be amended from time to time pursuant to a Reduction, Cancellation or Replenishment, the "**Reference Portfolio**") will, at any time, consist of a pool of credit exposures to obligors (including any successor thereto, the "**Reference Entities**") selected by the Swap Counterparty with respect to the Initial Portfolio Composition Date and identified as such by an identification code in the Reference Registry and their related Reference Obligations at that time. Any Reference Entity Successor to a Reference Entity shall be a Reference Entity for the Credit Default Swap as determined pursuant to the terms of the Credit Default Swap.

In respect of each Reference Entity, the Swap Counterparty has designated, in the Reference Registry, one or more Reference Obligations which are identified by an identification code and the applicable Reference Obligation Notional Amount in respect thereof.

The Reference Portfolio may or may not have been originated or acquired by the Swap Counterparty.

Reference Portfolio – Reference Registry

Pursuant to the Credit Default Swap, the Swap Counterparty is required to maintain a registry in respect of each Reference Obligation and Reference Entity containing the information set out in the section "*Reference Registry*" (such registry as amended by the Swap Counterparty from time to time in accordance with the terms of the Credit Default Swap, the "**Reference Registry**"). See "*Reference Registry*".

Reference Portfolio – Reference Obligations

"**Reference Obligation**" means each obligation designated as such and identified (by an identification code) in the Reference Registry representing LOC Reimbursement Obligations and certain claims, including partial claims and contingent claims in respect of principal, interest and fees (if any) arising from loans (including syndicated loans), revolving credit facilities and other payment claims (but excluding claims in respect of Letters of Credit other than LOC Reimbursement Obligations) to corporate entities (including financial institutions and certain other entities) including any obligations that are guaranteed by a Reference Obligation Guarantor.

For the avoidance of doubt, with respect to any obligation that is a syndicated loan, the portion of such obligation that is funded by the Relevant Lender and identified (by an identification code) in the Reference Registry, as described in the preceding paragraph, shall be the relevant Reference Obligation.

The obligation of the Issuer to pay Cash Settlement Amounts to the Swap Counterparty exists regardless of whether the Swap Counterparty suffers a loss or is exposed to the risk of loss following the occurrence of a Credit Event, and regardless of whether the Swap Counterparty has any legal or beneficial interest in any obligations of any Reference Entity or any economic risk in respect thereof. If the Swap Counterparty transfers any beneficial interest in any obligation of a Reference Entity or any economic risk in respect thereof to another person or entity, the Swap Counterparty will not, directly or indirectly (including through any indemnity or representation as to collectability made in any agreement providing for such transfer), transfer to or otherwise vest in such person or entity, any interest in, or any benefit of, the Credit Default Swap for the portion of beneficial interest or economic risk that has been transferred.

The initial Reference Entities, Reference Obligations and Reference Obligation Notional Amounts have been designated by the Swap Counterparty as of the Initial Portfolio Composition Date and, thereafter, are subject to variation from time to time pursuant to any Replenishment or Reduction and removal from the Reference Portfolio upon becoming a Liquidated Reference Obligation. As at the Initial Portfolio Composition Date, each Reference Obligation in the Reference Portfolio complied with the Eligibility Criteria.

Reference Portfolio – Reference Obligation Notional Amount

The "**Reference Obligation Notional Amount**" designated in respect of any Reference Obligation is the U.S. Dollar amount identified as such in respect of such Reference Obligation in the Reference Registry.

The Reference Obligation Notional Amount of a Reference Obligation may be reduced as a result of a Reduction or increased as a result of a Replenishment, each as described herein.

Reference Portfolio – Non-U.S. Dollar Reference Obligations and Resets

The Reference Obligation Notional Amount of each Reference Obligation which is not denominated in U.S. Dollars (each, a "**Non-U.S. Dollar Reference Obligation**" and any currency in which a Non-U.S. Dollar Reference Obligation is denominated (each, a "**Non-U.S. Dollar Currency**")) shall be the U.S. Dollar equivalent of the outstanding principal amount in the Non-U.S. Dollar Currency of such Reference Obligation in respect of which credit protection is being bought (converted into U.S. Dollars at the Relevant FX Rate on the Relevant FX Date).

The "**Relevant FX Date**" means, in respect of each Non-U.S. Dollar Reference Obligation in the Reference Portfolio, the Relevant Date, or if the Relevant FX Rate has been reset on a date occurring after the Relevant Date in respect of such Non-U.S. Dollar Reference Obligation, the most recent date on which the Relevant FX Rate was reset for such Non-U.S. Dollar Reference Obligation in accordance with the provisions of the Credit Default Swap.

The "**Relevant FX Rate**" for each Non-U.S. Dollar Reference Obligation shall be determined on the Relevant Date in respect of such Non-U.S. Dollar Reference Obligation and may be reset as provided below. Such rate shall be the rate determined by the Swap Counterparty (and quoted as the number of foreign currency units per U.S. Dollar) to be the mid-market foreign exchange rate prevailing on such date for the conversion of the relevant currency into U.S. Dollars applied by the Swap Counterparty for its own regular foreign exchange transactions.

In order to reflect fluctuations in the exchange rate between U.S. Dollars and the currency of such Non-U.S. Dollar Reference Obligations, subject to the provisions below, the Swap Counterparty may, but is not obliged to, from time to time and irrespective of whether the Replenishment Period has come to the end, reset the Relevant FX Rate (each, a "**FX Reset**") applicable to any Non-U.S. Dollar Reference Obligation (excluding any Defaulted Reference Obligation or Liquidated Reference Obligation) on the last day of each (or any) calendar month (any such date, a "**Reset Date**").

An increase in the Reference Obligation Notional Amount of any Non-U.S. Dollar Reference Obligation attributable to an adjustment of the Relevant FX Rate will be treated as a Replenishment and, accordingly, such increase may not be effected unless the Reference Obligation (and, for the avoidance of doubt, the related Reference Entity) is in compliance with the Eligibility Criteria and the Reference Portfolio is, or is deemed to be, thereafter in compliance with the Replenishment Conditions.

For the avoidance of doubt, after the expiry of the Replenishment Period, the Reference Obligation Notional Amount in respect of any Non-U.S. Dollar Reference Obligation may not be increased by any FX Reset.

Reference Portfolio – Replenishments

On any Business Day during the Replenishment Period on which the Maximum Portfolio Notional Amount exceeds the Portfolio Notional Amount, the Swap Counterparty may adjust the Reference Portfolio, by:

(a) adding Reference Obligations relating to existing Reference Entities;

(b) adding new Reference Entities and adding related Reference Obligations to the Reference Portfolio; or

(c) increasing the Reference Obligation Notional Amount of any Reference Obligation then comprising the Reference Portfolio,

or any combination of the foregoing, *provided* that each Reference Obligation so added or each Reference Obligation in respect of which the Reference Obligation Notional Amount is so increased (and, for the avoidance of doubt, the related Reference Entity) complies with the Eligibility Criteria and, following such addition, the Reference Portfolio complies with the Replenishment Conditions. Each such addition of a Reference Obligation (or increase in a Reference Obligation Notional Amount) shall constitute a "**Replenishment**" and the day on which any Replenishment is effected by the Swap Counterparty shall constitute a "**Replenishment Date**" with respect to a Reference Obligation so added (or in respect of which the Reference Obligation Notional Amount was so increased); and *provided further* that the provisos set out in the first paragraph in the section headed "*Replenishment Conditions*" in this Prospectus shall apply.

If the Reference Obligation so added or each Reference Obligation in respect of which the Reference Obligation Notional Amount is so increased (and, for the avoidance of doubt, the related Reference Entity) does not comply with the Eligibility Criteria or if the Reference Portfolio does not comply with any Replenishment Condition (or, if applicable, has caused the degree of non-compliance thereof to worsen) (each, an "**Ineligible Replenishment**"), the Swap Counterparty may remedy such non-compliance (or, if applicable, worsened degree of non-compliance) by effecting a Replenishment or a Reduction within 60 calendar days of the date of the Ineligible Replenishment. The day on which the non-compliance (or, if applicable, worsened degree of non-compliance) is remedied shall be the new Relevant Date in respect of such Reference Obligation and the Reference Obligation's compliance with the Eligibility Criteria and Replenishment Conditions shall instead be assessed on such new Relevant Date. If the Swap Counterparty fails to so remedy such non-compliance (or, if applicable, worsened degree of non-compliance) on or before the such date, the Ineligible Replenishment shall be reversed and shall be deemed not to have been made. For the avoidance of doubt, if an Ineligible Replenishment is effected by way of an increase in the Reference Obligation Notional Amount of an existing Reference Obligation, such Reference Obligation shall continue to form part of the Reference Portfolio and the Conditions to Settlement may still be satisfied in relation to such Reference Obligation on the basis of the Reference Obligation Notional Amount in existence immediately prior to such increase.

Following any Replenishment, the Portfolio Notional Amount shall not exceed an amount equal to the Maximum Portfolio Notional Amount.

The extension of the Reference Obligation Due Date in respect of any Reference Obligation will be treated as a Replenishment as if such Reference Obligation were added to the Reference Portfolio and, accordingly, such extension may not be effected unless the Reference Obligation (and, for the avoidance of doubt, the related Reference Entity) is in compliance with the Eligibility Criteria and the Reference Portfolio is, or is deemed to be, thereafter in compliance with the Replenishment Conditions.

Reference Portfolio – Reductions

The Swap Counterparty may, but shall not be obliged to, at any time and from time to time, elect to reduce the Reference Obligation Notional Amount of any Reference Obligation (a "**Reduction**") as a result of the occurrence of any of the following events:

(a) the irrevocable cancellation or expiry of any undrawn commitment or any amortisation, repayment of principal or prepayment of principal of the Reference Obligation or any Related Guarantee;

(b) save to the extent provided for in sub-paragraph (a) above, the occurrence of the Reference Obligation Due Date in respect of such Reference Obligation;

(c) if a Reference Obligation is beneficially owned by an SCB Entity on the date of its inclusion in the Reference Portfolio, the Reference Obligation ceases to be beneficially owned by an SCB Entity;

(d) the maturity date of the Reference Obligation or any Related Guarantee is extended beyond the Scheduled Termination Date;

(e) in the case of a Non-U.S. Dollar Reference Obligation, if there is an increase in the Relevant FX Rate applicable to the relevant Non-U.S. Dollar Currency on a Relevant FX Date *provided* that no such Reduction may occur in relation to Defaulted Reference Obligations and Liquidated Reference Obligations;

(f) the Calculation Agent determines that the inclusion of the Reference Obligation (or the increase in Reference Obligation Notional Amount of an existing Reference Obligation) in the Reference Portfolio as of the Relevant Date was in contravention of, caused the increased contravention of, or caused the non-compliance with, the Eligibility Criteria or Replenishment Conditions and such contravention, increased contravention or non-compliance would be corrected by a reduction in the Reference Obligation Notional Amount of such Reference Obligation by the proposed amount of the reduction; or

(g) if the Defaulted Notional Amount determined in respect of a Defaulted Reference Obligation is less than the Reference Obligation Notional Amount thereof (such shortfall being the amount by which the Reference Obligation Notional Amount shall be reduced),

(the amount of the Reference Obligation Notional Amount of such Reference Obligation so reduced, as determined by the Swap Counterparty, being a "**Reduction Amount**").

Any such Reduction shall be effective on the day on which it is made. Upon such Reduction, the Reference Obligation Notional Amount of the Reference Obligation that is the subject of such Reduction shall be reduced by the relevant Reduction Amount but without prejudice to the ability of the Reference Obligation Notional Amount for that Reference Obligation to be subsequently increased pursuant to a Replenishment. If the Reference Obligation Notional Amount of a Reference Obligation is reduced to zero it shall be removed from the Reference Portfolio, but without prejudice to the ability of such Reference Obligation to be subsequently included in the Reference Portfolio to the extent that it is the subject of a Replenishment.

Reference Portfolio – Cancellations

To the extent that during the Replenishment Period the Maximum Portfolio Notional Amount exceeds the Portfolio Notional Amount, the Swap Counterparty may elect to cancel (a "**Cancellation**") an amount up to such excess (such cancelled amount the "**Cancelled Amount**") by delivering a cancellation notice (a "**Cancellation Notice**") to the Issuer, the Administrator, the Calculation Agent and the Note Trustee. Upon any Cancellation, the Maximum Portfolio Notional Amount shall be irrevocably reduced by the Cancelled Amount.

The aggregate of all Cancelled Amounts shall not exceed the Senior Tranche Notional Amount during the Replenishment Period.

Reference Portfolio – Reporting

On each Report Date, the Swap Counterparty is required to deliver to the Calculation Agent, the Issuer, the Administrator and the Note Trustee a report (a "**Quarterly Report**"):

(a) specifying in respect of the immediately preceding Interest Period during the Replenishment Period, each Reference Obligation added (and the related Reference Obligation Notional Amount) and/or each Reference Obligation subject to an increased Reference Obligation Notional Amount (and the amount of such increase) and, in each case, the related Replenishment Date;

(b) specifying in respect of the immediately preceding Interest Period each Reference Obligation that was the subject of a Reduction, the date of such Reduction and the relevant Reduction Amount; and

(c) including revised tables substantially in the form set out in section headed "*Description of the Initial Reference Portfolio*" in this Prospectus, showing updated details in respect of the Reference Portfolio as at the end of the relevant Interest Period.

As soon as reasonably practicable following the Report Date, the Swap Counterparty will deliver a copy of the Reference Registry as at such Report Date, which takes into account all Reductions and Replenishments made during the preceding Interest Period, to the Issuer, the Administrator and the Note Trustee.

As soon as reasonably practicable following the end of each calendar month, the Swap Counterparty will deliver an updated copy of the Reference Registry which takes into account all Reductions and Replenishments made during the preceding calendar month to the Note Trustee.

The copy of the Reference Registry which is delivered to the Issuer, the Administrator and the Note Trustee will not disclose the names of the Reference Entities (and will not contain any information that the Swap Counterparty or Relevant Lender is legally constrained from disclosing under applicable laws).

Reference Portfolio – Servicing

The administration, collection and enforcement of each Reference Obligation, including the enforcement of any related Reference Collateral, shall be carried out in accordance with the Servicing Principles.

The administration, collection and enforcement of each Reference Obligation, including the enforcement of any security granted in respect thereof, shall be carried out by (i) an SCB Entity (in such capacity an "**SCB Servicer**") in its capacity as a servicer on behalf of the Relevant Lender or (ii) a third party agent bank (a "**Servicing Agent Bank**") on behalf of an SCB Entity (each such SCB Servicer or Servicing Agent Bank, a "**Servicer**") or (iii) an agent bank duly appointed under the documentation governing such Reference Obligation.

The Reference Obligations may from time to time be secured by the Reference Collateral. The principles of the allocation of the proceeds from the Reference Collateral to the Reference Obligations are set out in the section headed "*Servicing Principles*" in this Prospectus.

The relevant Security Interest (including the relevant Reference Collateral) in respect of the Reference Obligation may from time to time also secure (i) any other payment obligations of the related Reference Entity (including other Reference Obligations) and/or (ii) payment claims transferred from time to time by such entity together with a *pro rata* benefit from such Reference Collateral (in each case, a "**Reference Collateral Pool**").

For the purpose of the determination of the Recovery Amount and the Loss Amount in respect of any Defaulted Reference Obligation(s) that benefit from Reference Collateral, any realised proceeds of a Reference Collateral Pool securing, amongst other things, one or more Defaulted Reference Obligations shall be allocated to reduce the outstanding principal amount of such Reference Obligation in accordance with the Collateral Allocation Principles.

The SCB Servicer may, at any time prior to the occurrence of a Credit Event with respect to the relevant Reference Obligation, agree to the release by the Relevant Lender of any Reference Collateral if either (i) in its professional judgement, it concludes that it is required to do so by applicable law or regulation or contractual arrangements or (ii) does so in the ordinary course of its business and in accordance with its then prevailing Credit and Collection Policy that is applicable.

Reference Portfolio – Latent Data Defects

If a Reference Obligation and the related Reference Entity is included in the Reference Portfolio or is the subject of a Replenishment increasing the Reference Obligation Notional Amount of such Reference Obligation and such inclusion or Replenishment is made in good faith in reliance upon data which later transpires to be inaccurate then:

(a) if the inclusion of or Replenishment in respect of the Reference Entity would, had the correct data been applied as at Relevant Date, not have resulted in the non-compliance of such Reference Entity with the Eligibility Criteria or the Replenishment Conditions on such date, then such Reference Entity shall remain in the Reference Portfolio and the correct data in respect of the relevant entity shall be applied in the determination of compliance with the Eligibility Criteria and the Replenishment Conditions thereafter;

(b) subject to the second paragraph to the section headed "*Reference Portfolio – Replenishments*" (i.e. the paragraph beginning with the words "If the Reference Obligation so added…"), if the inclusion of or the Replenishment in respect of the Reference Entity would, had the correct data been applied as at the Relevant Date, have resulted in the contravention of, the increased contravention of, or caused the non-compliance with, the Eligibility Criteria or the Replenishment Conditions on such date, then such Reference Entity shall be ineligible for protection under the Credit Default Swap and shall be removed from the Reference Portfolio as soon as reasonably practicable following the discovery of such inaccuracy unless the relevant non-compliance, contravention or increased contravention has been corrected in accordance with the Reductions provisions; and

(c) the inclusion of or any Replenishment in respect of any other Reference Entity made in good faith in reliance upon the incorrect data in respect of the relevant Reference Entity prior to the discovery of the defects thereof shall be treated for the purposes of the Credit Default Swap, the Eligibility Criteria or the Replenishment Conditions as if such data had in fact been correct.

General Terms – Swap Premium

As the buyer of credit protection, the Swap Counterparty will make periodic payments of Swap Premium to the Issuer. Swap Premium will be payable on (a) the Closing Date (b) each Payment Date (each such date, a "**Fixed Rate Payer Payment Date**") (*provided* that in the event that the applicable Swap Premium is a negative amount, an amount equal to the absolute value of such Swap Premium shall be payable by the Issuer to the Swap Counterparty on the applicable Fixed Rate Payer Payment Date).

"**Swap Premium**" for any Fixed Rate Payer Payment Date means the amount determined by the Calculation Agent (which may be a negative amount), to be the sum of:

(a) (i) in the Required Currency, each Budgeted Expense as of such date; *plus*

(ii) the Notes Funding Amount as of such date; *plus*

(iii) in respect of the Closing Date, the Issuer Transaction Fee and the Reserve Expenses Amount; *less*

(b) the amount (if any) by which the amount paid in respect of Budgeted Expenses on the preceding Fixed Rate Payer Payment Date exceeds the actual Expenses which fell due on or prior to the current Fixed Rate Payer Payment Date,

provided that the Swap Premium shall not include any Exceptional Expenses if and to the extent that such amounts have been paid or scheduled to be paid by the Swap Counterparty to the Security Trustee and/or the Note Trustee pursuant to Clause 19.5 (*Swap Counterparty Indemnities*) of the Security Trust Deed.

General Terms – Termination of the Credit Default Swap and Outstanding Potential Credit Protection Claims

Notwithstanding the expiry of the term of the Credit Default Swap, as provided under "*General Terms – Termination Provisions*", if, on the Initial Termination Date there is a Payable Maximum Cash Settlement Amount greater than zero, the Termination Date shall be the earliest of:

(a) the Fixed Rate Payer Payment Date on which:

(i) the Verified Loss Amount in respect of each Defaulted Reference Obligation outstanding on the Initial Termination Date has been determined;

(ii) in the case of each Potential Defaulted Reference Obligation outstanding on the Initial Termination Date, either the Verified Loss Amount in respect of each such Potential Defaulted Reference Obligation has been determined or the relevant Potential Failure to Pay has been

remedied or the Conditions to Settlement (other than the Notice of Accountant Certification) in respect thereof have not been satisfied within the relevant Notice Delivery Period; and

(iii) all Cash Settlement Amounts (if any) due hereunder in respect of each Defaulted Reference Obligation, Pending Liquidated Reference Obligation and Potential Defaulted Reference Obligation outstanding on the Initial Termination Date have become payable;

(b) the date on which the Tranche Notional Amount is reduced to zero and the aggregate Outstanding Principal Balance of all of the Notes is zero (*provided* that, if as at the Initial Termination Date, the Tranche Notional Amount is zero, the Termination Date shall be the Initial Termination Date);

(c) the Fixed Rate Payer Payment Date on which the Payable Maximum Cash Settlement Amount is zero; and

(d) the Final Maturity Date.

On the date falling 2 Business Days prior to the Initial Termination Date and, thereafter, promptly after each Adjustment Date, the Calculation Agent shall, by written notice, notify the Swap Counterparty, the Issuer, the Administrator and the Note Trustee of the Potential Defaulted Reference Obligations, the Maximum Cash Settlement Amount and the Payable Maximum Cash Settlement Amount.

"**Maximum Cash Settlement Amount**" means, on the date of determination, the aggregate of (A) the aggregate Defaulted Notional Amount of all Defaulted Reference Obligations, (B) the aggregate Verified Loss Amount in respect of all Pending Liquidated Reference Obligations, and (C) the aggregate Reference Obligation Notional Amount of all Potential Defaulted Reference Obligations.

For the avoidance of doubt, if the Maximum Cash Settlement Amount is being determined on any Adjustment Date, any:

(a) Liquidated Reference Obligation in respect of which a Cash Settlement Amount is payable on such Adjustment Date; or

(b) Potential Defaulted Reference Obligation in respect of which the Potential Failure to Pay has been remedied or it is finally determined by or on such Adjustment Date that the Conditions to Settlement cannot be fulfilled in respect of such Potential Defaulted Reference Obligation,

shall not be included in the calculation of Maximum Cash Settlement Amount.

For the purposes of determining the Maximum Cash Settlement Amount for any date of determination, the Calculation Agent shall assume that the Conditions to Settlement will be satisfied in respect of each Defaulted Reference Obligation and Potential Defaulted Reference Obligation (other than a Potential Defaulted Reference Obligation to which paragraph (b) above applies) and that no Credit Events will occur in respect of any other Reference Obligation after the relevant date of determination.

Credit Protection Claims

Following the occurrence of a Credit Event with respect to a Reference Entity (or with respect to its Reference Obligations), the Issuer may, subject to the fulfilment of certain conditions, become liable to pay a Cash Settlement Amount to the Swap Counterparty following the determination of a Verified Loss Amount, if any, being determined in respect of the Reference Obligations of that Reference Entity.

Credit Protection Claims – Credit Events

A "**Credit Event**" means Bankruptcy, Failure to Pay and Restructuring.

"**Payment Requirement**" means the lesser of:

(a) USD 10,000; and

(b) the Defaulted Notional Amount on the date of the relevant Failure to Pay (or, in respect of a Non-U.S. Dollar Reference Obligation, such amount converted into the applicable Non-U.S. Dollar Currency at the Relevant FX Rate as of the immediately preceding Relevant FX Date (as determined by the Calculation Agent)).

Cure of Credit Event

With respect to a Failure to Pay Credit Event, if a Credit Event Notice is delivered and the related Credit Event is Cured, then the Credit Event Notice delivered in relation thereto shall, with effect from the Business Day immediately following the day on which the Swap Counterparty determines that such Credit Event was Cured, be

deemed to be rescinded and shall have no effect, and each Reference Obligation that was the subject of such Credit Event Notice and has been Cured shall remain in the Reference Portfolio and shall no longer be considered a Defaulted Reference Obligation and may, therefore, be the subject of a further Credit Event Notice. The Swap Counterparty shall provide prompt written notice to the Issuer, the Note Trustee and the Administrator after it becomes aware that such Credit Event has been Cured.

Potential Failure to Pay Credit Event

If, on the Credit Protection Term End Date, there exists any Potential Defaulted Reference Obligation, the Swap Counterparty may deliver to the Issuer (with a copy to the Calculation Agent, the Administrator and the Note Trustee), on or before the Credit Protection Term End Date, a Potential Failure to Pay Extension Notice in respect of such Reference Obligation.

The delivery by the Swap Counterparty of a Potential Failure to Pay Extension Notice with respect to a Reference Obligation will have the effect of extending the Notice Delivery Period in respect of the relevant Reference Obligation to the date falling 10 Business Days after the Grace Period Extension Date.

The Issuer may be liable to pay a Cash Settlement Amount determined to be due to the Swap Counterparty under the Credit Default Swap if a Credit Event occurs thereunder on or prior to such Grace Period Extension Date.

Credit Protection Claims – Conditions to Settlement

No Cash Settlement Amounts will be payable in respect of a Reference Entity or a Reference Obligation in relation to which a Credit Event has occurred, unless the following Conditions to Settlement have been satisfied.

The "**Conditions to Settlement**" are:

(a) the delivery of a Credit Event Notice by the Credit Event Monitor Agent to the Issuer, the Swap Counterparty, the Administrator, the Calculation Agent and the Note Trustee in respect of the Credit Event and which is effective within the Notice Delivery Period; and

(b) in respect of each Defaulted Reference Obligation relating to the relevant Reference Entity, the Credit Event Monitor Agent agrees to procure the delivery to the Calculation Agent, the Swap Counterparty, the Issuer and the Note Trustee of an irrevocable notice by the Accountant (the "**Notice of Accountant Certification**"), upon completion of the Agreed Upon Procedures in respect of the relevant Defaulted Reference Obligation, confirming that:

    (i) to the extent not already verified by the Accountant on a preceding Agreed Upon Procedures Verification Date, such Defaulted Reference Obligation satisfied, on the Relevant Date or Relevant Dates (in the case of a Reference Obligation in respect of which the Reference Obligation Notional Amount was increased pursuant to a Replenishment), those Eligibility Criteria set out in the Accountant's Letter as to be verified by the Accountant and, if added to the Reference Portfolio or where any Reference Obligation Notional Amount is increased pursuant to a Replenishment, did not (taken together with any other Reference Obligation added to the Reference Portfolio on the same day) contravene those Replenishment Conditions set out in the Accountant's Letter as to be verified by the Accountant in respect of the related Replenishment Date; and

    (ii) the Credit Event identified in the Credit Event Notice occurred on or before the Reference Obligation Due Date and in the case of a Credit Event that is a Failure to Pay, verifying that such Credit Event has not been Cured.

One or more Defaulted Reference Obligations of any Reference Entity may be included (and computational verification for all such Defaulted Reference Obligations set forth) in a single Notice of Accountant Certification relating to such Reference Entity.

The Notice of Accountant Certification may be delivered after the expiry of the Notice Delivery Period, but shall be delivered on or before the applicable Cash Settlement Date, if any, in respect thereof.

The Notice of Accountant Certification shall be conclusive and binding for all purposes, absent manifest error.

A "**Credit Event Notice**" is a notice in writing by the Credit Event Monitor Agent to the Issuer, the Administrator, the Swap Counterparty, the Calculation Agent and the Note Trustee that a Credit Event (a) has occurred on or after the Effective Date and on or before the Reference Obligation Due Date and (b) has not been remedied or waived. A Credit Event Notice must be given by the Credit Event Monitor Agent during the Notice Delivery Period and must (i) contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred, (ii) specify the date on which the Credit Event occurred, (iii) specify the Reference Obligation Identifier of the Reference Obligation in respect of which such Credit Event has occurred and (iv) specify the Reference Entity Identifier of the Reference Entity in respect of which such Credit Event has occurred. A Credit Event Notice may be delivered between 9.00 a.m. and 4.00 p.m. (London time) on any Business Day. If a Credit Event Notice is delivered

after 4.00 p.m. (London time) on a Business Day or on a day which is not a Business Day, such Credit Event Notice shall be deemed delivered on the immediately following Business Day. The Credit Event that is the subject of the Credit Event Notice must not have occurred before the Effective Date and may not be a Failure to Pay in respect of a Reference Obligation in respect of which a Potential Failure to Pay occurred before the Effective Date.

The Conditions to Settlement may be satisfied more than once in relation to the Reference Portfolio under the Credit Default Swap, but only once with respect to any Reference Obligation unless the relevant Credit Event in relation to such Reference Obligation is a Failure to Pay which has been subsequently Cured.

Credit Protection Claims – Notice Delivery Period

The "**Notice Delivery Period**" means the period from and including the Closing Date to and including the Credit Protection Term End Date or, in respect of any Potential Defaulted Reference Obligation in respect of which a Potential Failure to Pay Extension Notice is delivered on or before the Credit Protection Term End Date, to and including the date falling 10 Business Days after the Grace Period Extension Date in respect of such Potential Defaulted Reference Obligation.

Settlement Provisions – Loss Determination

Following satisfaction of the Conditions to Settlement in respect of a Reference Entity or a Reference Obligation in respect of which a Credit Event has occurred, a Loss Amount will be determined in respect of each Reference Obligation of the relevant Reference Entity in respect of which the Credit Event occurred.

To determine the Loss Amount in respect of a Reference Obligation, a Final Price will be determined by the Calculation Agent for the relevant Reference Obligation pursuant to the application of the following valuation provisions with respect to such Reference Obligation.

The "**Loss Amount**" in respect of a Reference Obligation is:

(a) if the Credit Event specified in the relevant Credit Event Notice is a Restructuring Credit Event, the sum of:

  (i) the Credit Loss Event Amount; and

  (ii) the product of the Restructured Principal Amount in respect of such Reference Obligation and a percentage that is 100 per cent. *minus* the Final Price for such Reference Obligation; and

(b) if the Credit Event specified in the relevant Credit Event Notice is a Failure to Pay or Bankruptcy Credit Event, the product of the Defaulted Notional Amount in respect of such Reference Obligation and a percentage that is 100 per cent. *minus* the Final Price for such Reference Obligation,

subject, in each case, to a minimum of zero and a maximum of the Defaulted Notional Amount.

If, on the Initial Termination Date, the occurrence of the Termination Date is deferred, the payment of Cash Settlement Amounts will continue in effect in relation to outstanding Defaulted Reference Obligations and, if the Loss Determination Date has not occurred in respect of any such Defaulted Reference Obligations on or before the Workout Cut-off Date then the Final Price for any such Reference Obligation shall be determined in accordance with paragraph (b) of the definition of Final Price.

Final Price

The "**Final Price**" with respect to any Defaulted Reference Obligation is:

(a) the percentage obtained by dividing the Recovery Amount as at the Loss Determination Date by the Defaulted Notional Amount (or, if the Credit Event specified in the relevant Credit Event Notice is a Restructuring Credit Event, the Restructured Principal Amount); or

(b) if the Loss Determination Date has not occurred in respect of any Defaulted Reference Obligations on or before the date falling 60 Business Days before the Final Maturity Date (the "**Workout Cut-off Date**"), either:

  (i) if the Quotation Amount is equal to or less than USD 5,000,000, the Financial Provision Fallback Price; or

  (ii) if the Quotation Amount is greater than USD 5,000,000, the higher of (i) the sum of (A) the Fallback Price multiplied by the Inverse Recoveries Percentage and (B) the Recoveries Percentage; and (ii) the Financial Provision Fallback Price.

Following the determination of the Final Price, the Calculation Agent shall promptly notify the Note Trustee, the Issuer and the Swap Counterparty of such Final Price.

The "**Recoveries Percentage**" is the percentage obtained by dividing the Recovery Amount recovered by the Relevant Lender prior to the Workout Cut-off Date by the Defaulted Notional Amount (or, if the Credit Event specified in the relevant Credit Event Notice is a Restructuring Credit Event, the Restructured Principal Amount).

The "**Inverse Recoveries Percentage**" is the percentage obtained by subtracting the Recoveries Percentage from one.

Recovery Amount

For each Defaulted Reference Obligation, the "**Recovery Amount**" shall be the amount recovered by the Relevant Lender in respect of principal upon a work-out or sale of such Reference Obligation (or in the case of a Reference Obligation that is the subject of a guarantee, such Reference Obligation and the Related Guarantee), in each case in accordance with the Servicing Principles to the extent applicable, and otherwise in accordance with the relevant Servicer's established procedures for loans that are similar in type to the relevant Defaulted Reference Obligation, it being understood that any amount in respect of principal that is forgone as part of the work-out process in relation to a restructuring of such Reference Obligation does not constitute a recovery. The work-out process shall be deemed to commence on the day following the Event Determination Date and will continue until the date on which (a) the Servicer (if any) shall have consummated the sale of such Reference Obligation or (b) (i) if a Servicer exists, the Servicer; or (ii) if no Servicer exists and an SCB Entity is the Relevant Lender, such SCB Entity; or (iii) where neither sub-paragraphs (i) or (ii) apply, the Calculation Agent, has determined, in each case in accordance with the Servicing Principles (where applicable), that such Reference Obligation shall be written off or that the work-out process in respect of such Reference Obligation has been completed (such date referred to in (a) or (b), as applicable, as determined by the Calculation Agent, the "**Loss Determination Date**").

Further, the Recovery Amount:

(a) in respect of each Restructured Reference Obligation, shall:

  (i) exclude any payments received by the Relevant Lender in respect of interest in respect of the Restructured Principal Amount or fees applicable to such Restructured Reference Obligation;

  (ii) for the avoidance of doubt, include any payments received by the Relevant Lender in respect of principal payments in respect of the Restructured Principal Amount of such Restructured Reference Obligation;

  (iii) for the avoidance of doubt, exclude any Credit Loss Event Amount Recovery;

(b) shall be calculated by reference to the aggregate amount (the "**Total Recovery Amount**") so recovered by the Relevant Lender in respect of the aggregate outstanding principal balance of that Reference Obligation to which the Relevant Lender is exposed on the relevant Event Determination Date (the "**Total Exposure**") so that the Recovery Amount in respect of the Reference Obligation shall be in the same proportion to the Total Recovery Amount as the Defaulted Notional Amount (or, if the Credit Event specified in the relevant Credit Event Notice is a Restructuring Credit Event, Restructured Principal Amount) bears to the Total Exposure;

(c) shall be reduced by the *pro rata* share attributable to the Defaulted Notional Amount (or, if the Credit Event specified in the relevant Credit Event Notice is a Restructuring Credit Event, Restructured Principal Amount) of any fees or expenses duly incurred and paid to third parties in respect of the recovery of the related Reference Obligation;

(d) shall not take into account any internal costs or fees of the Relevant Lender (or, if applicable, the Servicer, unless duly and actually deducted from the distribution of amounts by the Servicer);

(e) shall take into account in determining any loss of principal the market value (as determined by the Servicer or, if no Servicer exists, by the Calculation Agent) of any securities or other consideration (which may include interest and principal) received after the occurrence of the relevant Credit Event, whether pursuant to any restructuring, settlement or proceeding affecting such Reference Obligation or otherwise with respect to such Reference Obligation;

(f) shall not be affected by any rights of set-off, netting or combination of accounts in respect of the relevant Reference Entity unless the set-off, netting or combination of accounts forms part of the enforcement of collateral in respect of the related Reference Obligation;

(g) shall take into account in determining any loss of principal the Collateral Allocation Principles;

(h) to the extent that any amount recovered in respect of the principal amount of the related Reference Obligation (or, in respect of a Reference Obligation subject to a Restructuring Credit Event, the Restructured Principal Amount) is not denominated in U.S. Dollars, shall be calculated after converting any such Restructured Principal Amount, if applicable, or principal amount recovered between the Event

Determination Date and the Loss Determination Date into U.S. Dollars in accordance with the provisions of the documentation applicable to that Reference Obligation or, in the case of a Non-U.S. Dollar Reference Obligation, at the Relevant FX Rate as at the latest preceding Relevant FX Date that occurred prior to the relevant Event Determination Date with respect to that Non-U.S. Dollar Reference Obligation; and

(i) for the avoidance of doubt, need not take into account any determination made in respect of any "Cash Settlement Amount" (as defined in the 2003 Definitions or in the 1999 Credit Derivatives Definitions as published by ISDA in 1999 (as supplemented from time to time thereafter)) in relation to a "Credit Derivative Transaction" (as so defined) other than the Transaction evidenced by the Credit Default Swap relating to any "Obligation" (as so defined) that is also a Reference Obligation thereunder.

Credit Loss Event Amount

The "**Credit Loss Event Amount**" is, in respect of a Restructured Reference Obligation, (i) the amount of a value adjustment or other similar debit (in either case, the "**Debit**") to the profit and loss account of the Relevant Lender in respect of forgiveness or postponement of principal (but not interest or fees) relating to the relevant Reference Obligation, *minus* (ii) any amount of principal (but not fees or interest) (the "**Credit Loss Event Amount Recovery**") that is recovered in respect of a component of the relevant Debit (if any). The Credit Loss Event Amount shall be calculated by reference to the Debit and the Credit Loss Event Amount Recovery so recorded by the Relevant Lender in respect of the Relevant Lender's Total Exposure in respect of that Reference Obligation immediately prior to each such Restructuring Credit Event (the "**Total Credit Loss Event Amount**") so that the Credit Loss Event Amount shall be in the same proportion to the Total Credit Loss Event Amount as the Defaulted Notional Amount bears to the Total Exposure. To the extent the Debit and/or Credit Loss Event Amount Recovery is not denominated in U.S. Dollars, the Credit Loss Event Amount shall be calculated after converting the Debit and/or Credit Loss Event Amount Recovery into U.S. Dollars at the Relevant FX Rate as at the latest preceding Relevant FX Date that occurred prior to the relevant Event Determination Date with respect to the relevant Reference Obligation.

For the avoidance of doubt, if the Credit Event specified in the related Credit Event Notice is either a Failure to Pay or Bankruptcy Credit Event, the term "Credit Loss Event Amount" is not applicable.

Forgiven Principal

The "**Forgiven Principal**" is, in respect of each Restructured Reference Obligation, the aggregate amount in respect of principal, if any, forgiven by the Relevant Lender in respect of the relevant Restructured Reference Obligation. The Forgiven Principal shall be calculated by reference to the aggregate amount (the "**Total Principal Forgiven**") so forgiven by the Relevant Lender in respect of the Relevant Lender's Total Exposure in respect of that Reference Obligation immediately prior to such Restructuring Credit Event so that the Forgiven Principal shall be in the same proportion to the Total Principal Forgiven as the Defaulted Notional Amount bears to the Total Exposure. Notwithstanding the above, the Forgiven Principal shall be an amount equal to the Credit Loss Event Amount.

For the avoidance of doubt, if the Credit Event specified in the related Credit Event Notice is either a Failure to Pay or Bankruptcy Credit Event, the term "Forgiven Principal" is not applicable.

Restructured Principal Amount

The "**Restructured Principal Amount**" is, where the Credit Event specified in the relevant Credit Event Notice is a Restructuring Credit Event, the Defaulted Notional Amount *less* the Forgiven Principal, if any.

Fallback Price

The "**Fallback Price**" shall be the amount determined by the Calculation Agent in accordance with the market valuation provisions described below, expressed as a percentage of the Quotation Amount.

The Calculation Agent will attempt to obtain Full Quotations in respect of the relevant Reference Obligation from at least five Dealers on the first five Valuation Business Days following the Workout Cut-off Date. If,

(a) the Calculation Agent is able to obtain at least one firm quotation for part of or the full Quotation Amount on or before the fifth Valuation Business Day following the Workout Cut-off Date (the "**Initial Valuation Period End Date**"), it shall continue to attempt to obtain Full Quotations in respect of such Reference Obligation from at least five Dealers on each of the 15 immediately succeeding Valuation Business Days following the Initial Valuation Period End Date, and if on the 20th Valuation Business Day following the Workout Cut-off Date:

(i) the Calculation Agent has obtained at least one Full Quotation on or before such date, the highest of the Full Quotations obtained shall be used to calculate the Fallback Price; or

(ii) the Calculation Agent is unable to obtain any Full Quotation on or before such date, the weighted average of such partial firm quotations and a quotation determined by the Calculation Agent in a commercially reasonable manner for the balance of the Quotation Amount for which firm quotations were not obtained on such day shall be used to calculate the Fallback Price; or

(b) the Calculation Agent is unable to obtain any firm quotation on or before the Initial Valuation Period End Date, the Fallback Price shall be zero.

Quotations shall be sought on the Quotation Amount.

The "**Financial Provision Fallback Price**" means, in respect of any Defaulted Reference Obligation:

(i) if the Relevant Lender is an SCB Entity, a percentage equal to one *minus* the Financial Provision Rate; and

(ii) if the Relevant Lender is not an SCB Entity, a percentage determined by the Calculation Agent in a commercially reasonable manner as being an estimate of the value of the principal amount of the relevant Reference Obligation, expressed as a percentage of the Quotation Amount and determined as of the Workout Cut-off Date.

The "**Financial Provision Rate**" means, in respect of any Defaulted Reference Obligation, the financial provision (in respect of principal) determined by the Relevant Lender divided by the Total Exposure of the Relevant Lender in respect of such Defaulted Reference Obligation, in each case, determined as of the Workout Cut-off Date.

Settlement Provisions – Calculation Verification

The Swap Counterparty agrees to procure the delivery to the Calculation Agent, the Issuer and the Note Trustee of a written report by the Accountant verifying the computation by the Calculation Agent of the Loss Amount in respect of any Reference Obligation and specifying the Verification Date as per the Agreed Upon Procedures. Such report may be contained in the Notice of Accountant Certification. With respect to any Reference Obligation, the amount so verified shall be the "**Verified Loss Amount**" and the date on which such Loss Amount is verified is the "**Verification Date**".

Upon the determination of the Verified Loss Amount for any Defaulted Reference Obligation, the Defaulted Reference Obligation shall become a Liquidated Reference Obligation and the Calculation Agent will amend the Reference Registry by removing the relevant Defaulted Reference Obligation from the Reference Registry.

Settlement Provisions – Cash Settlement Amount

Following the satisfaction of the Conditions to Settlement and the completion of the loss determination and verification procedures described above, the Calculation Agent will ascertain whether a Cash Settlement Amount is payable by the Issuer to the Swap Counterparty.

The "**Cash Settlement Amount**" for any Cash Settlement Date or date of determination shall be determined as follows:

(a) if the Adjusted Cumulative Loss Amount is greater than the Threshold Amount, the Cash Settlement Amount will be equal to the Tranche Loss *minus* the Paid Loss; or

(b) if the Adjusted Cumulative Loss Amount is less than or equal to the Threshold Amount, the Cash Settlement Amount will be zero,

provided that the Cash Settlement Amount may not be less than zero.

As soon as reasonably practicable following the date of determination or recalculation of the Swap Premium, Maximum Cash Settlement Amount, Payable Maximum Cash Settlement Amount or Cash Settlement Amount, the Calculation Agent will promptly notify the Issuer, the Administrator, the Principal Paying Agent, the Agent Bank, and the Note Trustee in writing accordingly of such amount.

Settlement Provisions – Cash Settlement Date

Any Cash Settlement Amounts payable by the Issuer under the Credit Default Swap shall be payable on the Cash Settlement Date.

A "**Cash Settlement Date**" shall occur:

(a) in respect of any Cash Settlement Amount that is not an Additional Loss Payment, on the Fixed Rate Payer Payment Date immediately following the Verification Date applicable to such Cash Settlement Amount *provided* that if such Fixed Rate Payer Payment Date falls less than 2 Business Days after the relevant

Verification Date and such Fixed Rate Payer Payment Date is not the Final Payment Date, the Cash Settlement Date shall be the next following Fixed Rate Payer Payment Date; and

(b) in respect of any Cash Settlement Amount that is an Additional Loss Payment, on the Fixed Rate Payer Payment Date immediately following the date of determination thereof *provided* that if such Fixed Rate Payer Payment Date falls less than 2 Business Days after the relevant date of determination and such Fixed Rate Payer Payment Date is not the Final Payment Date, the Cash Settlement Date shall be the next following Fixed Rate Payer Payment Date.

Settlement Provisions – Late Receipts, Erroneous Payments and Additional Payments

Late Recoveries

If at any time prior to the Workout Cut-off Date with respect to a Liquidated Reference Obligation, the Relevant Lender of a Liquidated Reference Obligation receives a further payment in respect of the principal amount (or other amount, as applicable) of such Liquidated Reference Obligation that was not included in the Recovery Amount or Credit Loss Event Amount Recovery (if applicable) determined in respect thereof (such payment determined on the basis set out below, a "**Late Recovery Amount**"), the Calculation Agent is required to promptly notify the Swap Counterparty, the Issuer, the Administrator and the Note Trustee in writing of the amount thereof and, if such amount is not denominated in U.S. Dollars converted in accordance with the provisions of the documentation applicable to the relevant Reference Obligation or, in the case of a Non-U.S. Dollar Reference Obligation, at the Relevant FX Rate as at the latest preceding Relevant FX Date that occurred prior to the relevant Event Determination Date for that Non-U.S. Dollar Reference Obligation.

For the avoidance of doubt, any Late Recovery Amount shall, on the date of determination, be calculated by reference to the aggregate amount (the "**Total Actual Late Recoveries**") so recovered by the Relevant Lender in respect of the Total Exposure of the Relevant Lender so that the Late Recovery Amount in respect of the Reference Obligation on the relevant date of determination shall be in the same proportion to the Total Actual Late Recoveries as the Defaulted Notional Amount (or the Restructured Principal Amount) bears to the Total Exposure.

Excess Losses

If the Accountant determines, in respect of any Liquidated Reference Obligation, that the Verified Loss Amount previously determined in respect of such Liquidated Reference Obligation was erroneously set at a higher figure than the correct amount (the excess being an "**Excess Loss Amount**"), the Calculation Agent shall promptly notify the Swap Counterparty, the Issuer, the Administrator and the Note Trustee in writing of the amount thereof.

Additional Losses

If the Accountant determines, in respect of any Liquidated Reference Obligation, that the Verified Loss Amount previously determined in respect of such Liquidated Reference Obligation was erroneously set at a lower figure than the correct amount (the deficiency being an "**Additional Loss Amount**"), the Calculation Agent shall promptly notify the Swap Counterparty, the Issuer, the Administrator and the Note Trustee in writing of the amount thereof. However, for the avoidance of doubt, the sum of such Additional Loss Amount *plus* any payment amounts previously determined in respect of such Liquidated Reference Obligation shall never be greater than the relevant Defaulted Notional Amount.

Settlement Provisions – Additional Payments

Upon the determination of a Late Recovery Amount, an Excess Loss Amount or an Additional Loss Amount, the Calculation Agent shall recalculate the Adjusted Cumulative Loss Amount and the Cash Settlement Amount(s), if any, that should have been paid by the Issuer prior to the date of determination (on the basis of the amended Adjusted Cumulative Loss Amount). If the Cash Settlement Amount(s) that should have been paid by the Issuer exceed(s) the sums actually paid by the Issuer, the Issuer shall pay a further Cash Settlement Amount equal to the excess (an "**Additional Loss Payment**") to the Swap Counterparty. Any Additional Loss Payment payable under the Credit Default Swap shall constitute a Cash Settlement Amount.

If, however, the Cash Settlement Amount(s) that should have been paid by the Issuer is or are in aggregate less than the sums actually paid by the Issuer, the Swap Counterparty shall pay an amount equal to the deficiency (a "**Loss Adjustment Payment**") to the Issuer.

Such payments by or to the Swap Counterparty shall be made on the Fixed Rate Payer Payment Date immediately following the date of determination *provided* that if such Fixed Rate Payer Payment Date falls less than 2 Business Days after the relevant date of determination and such Fixed Rate Payer Payment Date is not the Final Payment Date, the Cash Settlement Date shall be the next following Fixed Rate Payer Payment Date.

If any Loss Adjustment Payment is payable by the Swap Counterparty to the Issuer, the Swap Counterparty shall also pay, on the same date that the Loss Adjustment Payment is due as part of the Notes Funding Amount, an amount equal to the sum of the Regular Interest Amount and the Compounded Interest Amount that is payable by the Issuer

in respect of the Notes as a result of such Loss Adjustment Payment pursuant to Condition 6.12 (*Interest on Principal Reinstatement*).

General Terms – Tax Provisions

Issuer

If any payment obligation of the Issuer under the Credit Default Swap is subject to, or becomes subject to, any deduction or withholding for or on account of any Tax, the Issuer will not be obliged to and will not gross up the relevant amount, and the Swap Counterparty will receive such amount *less* the amount of any such deduction or withholding.

The Swap Counterparty may, however, in such circumstances elect to terminate the Credit Default Swap.

Tax Termination

(a) If any payment obligation of the Swap Counterparty under the Credit Default Swap is subject to, or becomes subject to, any deduction or withholding for or on account of any Tax which is required by law, the Swap Counterparty shall (to the extent permissible by applicable law and regulation) gross up the relevant amount by paying such additional amounts ("**Swap Additional Amount**") to the Issuer as are necessary to ensure that the net amount actually received by the Issuer (after payment of any such deduction or withholding for or on account of any Tax) will equal the full amount the Issuer would have received had no such deduction or withholding been required.

(b) If any payment obligation of the Issuer under the Credit Default Swap is subject to, or becomes subject to, any deduction or withholding for or on account of any Tax, the Issuer will not be obliged to and will not gross up the relevant amount, and the Swap Counterparty will receive such amount *less* the amount of any such deduction or withholding.

(c) If the Issuer determines that it has, or there is a substantial likelihood that it will, within 90 calendar days of the date of determination (such determination being made by the Issuer relying on an opinion of independent legal advisers, as described below), become obliged to withhold or deduct an amount in respect of any Tax from any payment of principal of, interest on, or any other amount payable in respect of, the Notes as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), the Swap Counterparty may, to the extent permissible by applicable law (and without duplication of any amounts payable pursuant to the Credit Default Swap) but shall not be obliged to do so, pay to the Issuer such Additional Amounts (as defined in Condition 9 (*Taxation*)) as, after such required deduction or withholding, would enable the Issuer to make grossed-up payments on the Notes in accordance with Condition 9 (*Taxation*).

(d) If:

(i) the Issuer determines that it has, or there is a substantial likelihood that it will, within 90 calendar days of the date of determination (such determination being made by the Issuer relying on an opinion of independent legal advisers, as described below), become subject to any circumstance or to a tax charge (whether by direct assessment or by withholding at source), regulatory imposition or other imposition by the Cayman Islands or any other jurisdiction which would materially increase the costs to it of complying with its obligations under the Note Trust Deed or, under the Notes or materially increase the operating or administrative expenses of the Issuer or the trust under which the shares in the Issuer are held or reduce the amount of any sums received or receivable by the Issuer or otherwise oblige the Issuer to make any payment on, or calculated by reference to, the amount of any sum received or receivable by the Note Trustee and/or the Security Trustee on behalf of the Issuer as contemplated in the Note Trust Deed or the Security Trust Deed, as the case may be;

(ii) payments of interest due to the Issuer on any of the Accounts or on any Income due in respect of any other Collateral Investment are, or there is a substantial likelihood that they will within 90 calendar days of the date of determination (such determination being made by the Issuer relying on an opinion of independent legal advisers, as described below) become, subject to deduction or withholding for or on account of any Tax;

(iii) any of the events described in paragraph (c) above occurs but the Swap Counterparty fails, after any applicable grace period with respect to the Note, to pay any Additional Amounts which it has elected to pay to the Issuer;

(iv) the Swap Counterparty is required to pay to the Issuer any Swap Additional Amounts (as described in paragraph (a) above);

(v) the Swap Counterparty is obliged to receive any payments from the Issuer under the Credit Default Swap subject to the deduction of any amount required to be deducted or withheld for or on account of any Tax (as described in paragraph (b) above);

(vi) during a Repo Existence Period, a Repo Tax Event occurs under the relevant Repurchase Agreement; or

(vii) the Issuer is otherwise subject to or becomes liable to pay Tax,

(each of the events described in sub-paragraphs (d)(iv) and (v) above shall constitute a "**Swap Tax Event**" under the Credit Default Swap) then, *provided* that:

(a) the Swap Counterparty (in the case of the events described in sub-paragraph (d)(iv) above) has delivered to the Issuer and the Note Trustee, or the Issuer (in the case of the events described in sub-paragraphs (c) and (d)(i) to (iii) and (v) to (vii) above) (and at no cost to the Issuer) has delivered to the Swap Counterparty and the Note Trustee, in form and substance satisfactory to the Note Trustee an opinion, of independent legal advisers of recognised standing confirming the occurrence or anticipated occurrence of such event within 90 calendar days of the date of such opinion;

(b) the Swap Counterparty determines, after consultation with the Issuer, that the events described in sub-paragraph (d)(iv) above (or the Issuer determines, after consultation with the Swap Counterparty, that any of the events described under sub-paragraphs (c) and (d)(i) to (iii) and (v) to (vii) above) cannot be avoided (without incurring additional cost) by the Swap Counterparty or, as the case may be, the Issuer taking reasonable measures (including, in the case of sub-paragraph (d)(ii) and (vi) above, the replacement of the Repo Counterparty and/or substitution of the Repo Collateral and/or Collateral Investment) available to it; and

(c) the Swap Counterparty or, as the case may be, the Issuer has delivered a Tax Certificate to the Note Trustee,

the Swap Counterparty may, by giving not less than 45 calendar days' and not more than 90 calendar days' notice to the Issuer, designate a Fixed Rate Payer Payment Date which is an Interest Payment Date as the "Tax Termination Date" (such date, the "**Tax Termination Date**"). The date on which a Tax Redemption Event occurs as a result of Condition 6.3(c)(ii) shall be deemed to be a Tax Termination Date. The Note Trustee shall be entitled to accept such opinion and Tax Certificate (but may accept other evidence in lieu thereof which in its sole opinion is satisfactory to the Note Trustee) as sufficient evidence of the existence of a Tax Redemption Event (for the purpose of the Notes), in which event it shall be conclusive and binding on the Noteholders, the Issuer and the Swap Counterparty.

General Terms – Termination Provisions

Termination Date

The Credit Default Swap will terminate on the Termination Date.

Subject to the provisions of "*General Terms – Termination of the Credit Default Swap and Outstanding Potential Credit Protection Claims*" above, the "**Termination Date**" means the earliest to occur of:

(a) the Scheduled Termination Date;

(b) the date on which the Tranche Notional Amount is reduced to zero and the aggregate Outstanding Principal Balance of all of the Notes is zero;

(c) the Early Termination Date;

(d) the Tax Termination Date; and

(e) the Optional Termination Date,

(such date, the "**Initial Termination Date**").

Scheduled Termination Date

The "**Scheduled Termination Date**" means 28 December 2015 (*provided* that, if such date would otherwise fall on a day which is not a Business Day, the following Business Day).

Optional Termination Date

An "**Optional Termination Date**" may be designated by the Swap Counterparty on any Business Day by giving the Issuer (with a copy to the Calculation Agent, the Note Trustee, the Security Trustee and the Administrator) at least (i) in the case of a Clean-up Event, 5 Business Days' prior written notice, or (ii) in the case of a Regulatory Event, 10 Business Days' prior written notice, if:

(a) a Clean-up Event occurs; or

(b) a Regulatory Event occurs.

The Swap Counterparty shall notify in writing the Calculation Agent, the Note Trustee and the Administrator as soon as reasonably practicable after the occurrence of such Clean-up Event or Regulatory Event, as the case may be.

"**Clean-up Event**" means when on any date of determination following the end of the Replenishment Period, the Portfolio Notional Amount is equal to or less than 10 per cent. of the Initial Portfolio Notional Amount.

"**Regulatory Event**" means, in the sole and reasonable opinion of the Swap Counterparty, there is a material change in SCB's ability to reflect the full benefit of the Credit Default Swap or the transaction to which it relates as anticipated on the Closing Date to an extent which is material to the Swap Counterparty, as a result of an enactment of, or supplement or amendment to, or a change in, law, policy or official interpretation of any relevant regulations or as a result of any official communication, interpretation or determination made by any relevant regulatory authority.

Early Termination Date

An "**Early Termination Date**" may be designated (to occur no later than the Fixed Rate Payer Payment Date immediately succeeding the occurrence of any of the following events) by either:

(a) the Issuer, under the Credit Default Swap, upon the occurrence of:

  (i) a Swap Event of Default with respect to the Swap Counterparty (and, in such circumstances, the Early Termination Date shall be designated to occur no later than 2 Business Days after the relevant Swap Event of Default);

  (ii) the contractual performance of the Issuer's or the Swap Counterparty's obligations becoming illegal (as more fully described in the Credit Default Swap);

  (iii) a Force Majeure Event in respect of the Swap Counterparty; or

  (iv) the Enforcement Date (other than a Swap Acceleration Event); or

(b) the Swap Counterparty, under the Credit Default Swap, upon the occurrence of:

  (i) a Swap Event of Default with respect to the Issuer;

  (ii) the contractual performance of the Issuer's or the Swap Counterparty's obligations becoming illegal (as more fully described in the Credit Default Swap;

  (iii) a Force Majeure Event in respect of the Issuer; or

  (iv) the Enforcement Date (other than a Swap Acceleration Event).

"**Force Majeure Event**" means any event which, by reason of force majeure or act of state occurring after the Closing Date, on any day prevents a party from performing any absolute or contingent obligation to make a payment or delivery in respect of the Credit Default Swap, from receiving a payment or delivery in respect of the Credit Default Swap or from complying with any other material provision of the Credit Default Swap (or would be so prevented if such payment, delivery or compliance were required on that day), or makes it impossible for such party so to perform, receive or comply (or it would be impossible for such party so to perform, receive or comply if such payment, delivery or compliance were required on that day), *provided* that such force majeure or act of state is beyond the control of such party and such party could not, after using all reasonable efforts (which will not require such party to incur a loss, other than immaterial, incidental expenses), overcome such prevention, impossibility.

A "**Swap Event of Default**" means:

(a) with respect to the Issuer only, (1) a payment default (continuing for 1 Business Day or more), (2) certain bankruptcy-related events, and

(b) with respect to the Swap Counterparty only, (1) a payment default (continuing for 1 Business Day or more), (2) certain bankruptcy-related events, (3) misrepresentation, (4) breach of agreement or repudiation of

agreement and (5) merger without assumption of the Swap Counterparty's liabilities under the Credit Default Swap (each as more fully described in the Credit Default Swap).

The occurrence of a Swap Acceleration Event under the Credit Default Swap will result in the occurrence of the Enforcement Date under Condition 10.3(c) (*Acceleration and Enforcement*) and the Notes will be redeemed in accordance with the Conditions.

See "*Description of the Credit Default Swap – General Terms – Termination of the Credit Default Swap and Outstanding Potential Credit Protection Claims*" for a description of the circumstances in which the Issuer may remain liable to make credit protection payments after the Notes Termination Date.

General Terms – Payments upon Early Termination

In the event that an Early Termination Date is designated or deemed to occur, Section 6(e) of the ISDA Master will not apply and the Credit Default Swap will terminate on the Termination Date.

If on any Payment Date an Interest Deduction Amount is determined in accordance with Condition 6.12 (*Interest on Principal Reinstatement*), on such Payment Date, the Issuer shall pay to the Swap Counterparty an amount equal to the Interest Deduction Amount.

On the Final Payment Date the Issuer shall pay to the Swap Counterparty an amount equal to the Swap Termination Fee.

The "**Swap Termination Fee**" means a U.S. Dollar amount equal to the Initial Portfolio Notional Amount or, if a lesser amount, the amount of funds available to be applied toward such payment in accordance with the Pre-Enforcement Order of Priority or, as the case may be, the Enforcement Order of Priority.

General Terms – Governing Law

The Credit Default Swap and any non-contractual obligations arising out of or in connection with the Credit Default Swap are governed by, and shall be construed in accordance with, the laws of England. The Issuer, the Swap Counterparty, the Calculation Agent and the Credit Event Monitor Agent have submitted to the jurisdiction of the English courts in connection with the Credit Default Swap (including a dispute relating to any non-contractual obligations arising out of or in connection with the Credit Default Swap), and the Issuer has appointed Maples and Calder, in London, to accept service of process on its behalf.

General Terms – Additional Definitions

"**Accountant**" means PricewaterhouseCoopers LLP (or any successor thereto), or any other firm of independent accountants of internationally recognised standing as may be appointed by the Calculation Agent from time to time, *provided* that, prior to such appointment:

(a) the Calculation Agent has notified the Noteholders of the proposed appointment; and

(b) the Calculation Agent has not received any reasonable objection (as determined by the Calculation Agent) to such proposed appointment from any Noteholder within 5 Business Days of the date of such notice.

"**Accountant's Letter**" means a letter agreement dated on or about 28 June 2012 with such amendments or replacements thereto as may be agreed between the Swap Counterparty and the Accountant.

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "**control**" of any entity or person means ownership of a majority of the voting power of the entity or person.

"**Adjusted Cumulative Loss Amount**" means, with respect to any date of determination, the sum of:

(a) the Cumulative Loss Amount (as of such date); *plus*

(b) the aggregate of all Additional Loss Amounts (as of such date); *minus*

(c) the aggregate of (i) all Excess Loss Amounts (as of such date); and (ii) all Late Recovery Amounts (as of such date).

"**Adjustment Date**" means (a) each Cash Settlement Date after the Initial Termination Date; and (b) each date after the Initial Termination Date on which, in respect of any Potential Defaulted Reference Obligation, (A) the applicable Potential Failure to Pay has been remedied or (B) the Conditions to Settlement (other than delivery of the Notice of Accountant Certification) have not been fulfilled within the Notice Delivery Period.

"**Aggregate Reductions**" means on any date of determination, the aggregate of (a) all Cancelled Amounts, if any, and (b) the sum of the Reference Obligation Notional Amounts of all Reference Obligations that, prior to such date of determination but following the end of the Replenishment Period, have been removed from the Reference Portfolio pursuant to a Reduction (or with respect to a Reference Obligation the Reference Obligation Notional Amount in respect of which has been reduced in part, the part thereof subject to a Reduction).

"**Agreed Upon Procedures**" the procedures to be carried out by the Accountant as agreed between the Accountant and the Swap Counterparty in the Accountant's Letter.

"**Agreed Upon Procedures Verification Date**" means the date upon which a report in respect of the Agreed Upon Procedures is delivered by the Accountant to the Swap Counterparty as contemplated in the Accountant's Letter. The Swap Counterparty will procure that each such report delivered to it shall be delivered to the Issuer, the Calculation Agent, the Note Trustee and each Eligible Noteholder promptly following receipt thereof.

"**Amortised Amount**" means, on any date of determination, in respect of any Amortisation Period, the amount by which the Tranche Notional Amount has been reduced by any Writedown Amount pursuant to paragraph (b) of the definition of Tranche Notional Amount during such Amortisation Period pursuant to the terms of the Credit Default Swap.

"**Bankruptcy**" means a Reference Entity:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) 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;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) 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:

    (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 30 calendar days of the institution or presentation thereof;

(e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) 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;

(g) 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 calendar days thereafter; or

(h) 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 sub-paragraphs (a) to (g) above (inclusive).

"**Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange currency deposits) in New York, Singapore and London.

"**Calculation Agent City**" means London.

"**Calculation Agent City Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City.

"**Collateral Allocation Principles**" means the collateral allocation principles set out in Schedule F to the Swap Confirmation. See "*Collateral Allocation Principles*".

"**Credit and Collection Policy**" means the credit and collection policy applied by SCB from time to time in the assessment and management of the credit risk of its customers in its day to day business and in the event of any variation between such policy as applied by different SCB Entities, such policy as applied by the SCB Entity that is the SCB Servicer in respect of the applicable Reference Obligation.

"**Credit Protection Term End Date**" means the earlier to occur of the Initial Termination Date and the date falling 2 Business Days prior to the Scheduled Termination Date.

"**Cumulative Loss Amount**" means, with respect to a Verification Date or any other date of determination, the sum of:

(a) the Verified Loss Amount determined on such Verification Date in respect of a Liquidated Reference Obligation or other date of determination or the aggregate thereof if more than one Liquidated Reference Obligation has a Verified Loss Amount determined on such date; and

(b) the aggregate of each Verified Loss Amount determined prior to such Verification Date or other date of determination.

"**Cured**" means, with respect to a Failure to Pay Credit Event, the payment in full of the amount of the Reference Obligation that was the subject of such Failure to Pay Credit Event (together with any contractual interest on past-due amounts) prior to the day falling 60 Business Days after delivery of a Credit Event Notice or, if earlier, 2 Business Days prior to the Initial Termination Date. None of: (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals; (b) a reduction in the amount of principal or premium payable at maturity or at any scheduled redemption date; and (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium, in each case, following the occurrence of a Failure to Pay Credit Event shall in any event be or result in a Failure to Pay Credit Event being Cured.

"**Dealer(s)**" means a dealer in obligations of the type of obligations for which Quotations are to be obtained or any Affiliate thereof, excluding the Swap Counterparty and its Affiliates.

"**Default Requirement**" means the lesser of USD 10,000 and the Defaulted Notional Amount on the date of the relevant Restructuring (or, in respect of a Non-U.S. Dollar Reference Obligation, such amount converted into the applicable Non-U.S. Dollar Currency at the Relevant FX Rate as of the immediately preceding Relevant FX Date (as determined by the Calculation Agent)).

"**Defaulted Notional Amount**" means, with respect to:

(a) a Defaulted Reference Obligation (other than a Defaulted Reference Obligation that is an LOC Reimbursement Obligation) on any date of determination, the lowest of (i) the Reference Obligation Notional Amount thereof on the Event Determination Date, (ii) the aggregate outstanding principal amount of the Reference Obligation to which the Relevant Lender is exposed on the Event Determination Date (*plus*, if such Event Determination Date relates to a Restructuring Credit Event, any Forgiven Principal), and (iii) the amount determined by the Swap Counterparty in its sole discretion as of the Event Determination Date; and

(b) a Defaulted Reference Obligation that is an LOC Reimbursement Obligation, the lower of (i) the Reference Obligation Notional Amount thereof on the Event Determination Date and (ii) the aggregate drawn amount of the Reference Obligation as of the Event Determination Date that has not been reimbursed by the relevant Reference Entity on or before the relevant Event Determination Date,

in each case, for a Non-U.S. Dollar Reference Obligation, converted by the Calculation Agent, if applicable, from the denomination currency into U.S. Dollars at the Relevant FX Rate (being, for the avoidance of doubt, the Relevant FX Rate as at the latest preceding Relevant FX Date that occurred prior to the relevant Event Determination Date).

Following the determination of the Defaulted Notional Amount, the Calculation Agent shall promptly notify the Note Trustee, the Issuer and the Swap Counterparty of such Defaulted Notional Amount.

"**Defaulted Reference Obligation**" means a Reference Obligation with respect to which an Event Determination Date has occurred but which has not become a Liquidated Reference Obligation.

"**Eligibility Criteria**" means the criteria set forth in Schedule C to the Swap Confirmation, and as set out under "*Eligibility Criteria*".

"**Eligible Noteholder**" means any Noteholder which has:

(a) entered into arrangements with the Accountant (on terms acceptable to the Accountant) pursuant to which the Accountant consents to the Swap Counterparty providing to such Noteholder copies of all reports produced by the Accountant in accordance with the Agreed Upon Procedures; and

(b) notified the Swap Counterparty that it has entered into such arrangements, and provided the Swap Counterparty with evidence satisfactory to the Swap Counterparty of such arrangements.

"**Event Determination Date**" means (in relation to a Credit Event and subject to the provisions set forth in the Credit Default Swap for the term "**Cured**") the date on which the Credit Event Notice is delivered (or deemed delivered) to the Issuer, the Administrator, Calculation Agent and the Note Trustee.

"**Failure to Pay**" means, after the expiration of any applicable (or deemed) Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Reference Obligations in accordance with the terms of such Reference Obligations at the time of such failure *provided* that with respect to any Reference Obligation that is the subject of a guarantee, "**Failure to Pay**" means after the expiration of any applicable (or deemed) Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the relevant Reference Obligor and the relevant Reference Obligation Guarantor to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more, Reference Obligations (in the case of the Reference Obligor) and the related guarantee (in the case of the Reference Obligation Guarantor), in accordance with the terms of such Reference Obligations and related guarantee, respectively, at the time of such failure and, *provided further* that, in respect of any Reference Obligation which is not a Syndicated Obligation, the Swap Counterparty procures certification of the occurrence of such failure by a managing director of the Relevant Lender, a copy of such certification to be provided by the Swap Counterparty to the Note Trustee as soon as reasonably practicable.

"**Financial Services Authority**" means the Financial Services Authority (including any successor or replacement organisation) recognised under the Financial Services and Markets Act 2000.

"**Full Quotations**" means:

(a) a firm quotation obtained from a Dealer, to the extent reasonably practicable, for an amount of the relevant Reference Obligation with an outstanding principal balance equal to the Quotation Amount applicable thereto; or

(b) if no such firm quotation as described in paragraph (i) is available, a firm bid quotation obtained by the Calculation Agent from a Dealer, for entry into a Participation in respect of an amount of the relevant Reference Obligation with an outstanding principal balance equal to the Quotation Amount applicable thereto.

"**Grace Period**" means:

(a) subject to clauses (b) and (c), the applicable grace period with respect to payments under the relevant Reference Obligation under the terms of such Reference Obligation in effect as of the later of the Closing Date and the date as of which such Reference Obligation is issued or incurred;

(b) if a Potential Failure to Pay has occurred on or prior to the Credit Protection Term End Date and the applicable grace period cannot, by its terms, expire on or prior to the Credit Protection Term End Date, the Grace Period shall be deemed to be the lesser of such grace period and 30 calendar days; and

(c) if, at the later of the Closing Date and the date as of which a Reference Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Reference Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Reference Obligation.

"**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 in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

"**Grace Period Extension Date**" means, with respect to a Potential Defaulted Reference Obligation, the date that is the number of days in the Grace Period after the date of the relevant Potential Failure to Pay.

"**Initial Portfolio Composition Date**" means 15 June 2012.

"**Initial Portfolio Notional Amount**" means USD 1,500,000,000.

"**Initial Tranche Notional Amount**" means USD 105,000,000.

"**Letter of Credit**" means, with respect to a Reference Entity, a letter of credit or other instrument issued in favour of (or capable of being drawn by) a third party that may be drawn or called upon to satisfy an obligation of such Reference Entity owed to such third party.

"**Liquidated Reference Obligation**" means a Reference Obligation with respect to which a Verified Loss Amount has been determined. For the avoidance of doubt, once a Defaulted Reference Obligation has become a Liquidated Reference Obligation then it shall no longer be considered as a Defaulted Reference Obligation and for the purposes of clause (b) of the definition of "Maximum Portfolio Notional Amount" below, clause (b) of the definition of "Portfolio Notional Amount" below and limb (A) of the definition of "Maximum Cash Settlement Amount" above, the Reference Obligation Notional Amount of such Defaulted Reference Obligation shall be zero. Once a Defaulted Reference Obligation becomes a Liquidated Reference Obligation, it shall be removed from the Reference Portfolio.

"**LOC Reimbursement Obligation**" means, with respect to a Reference Entity, an obligation owed by (whether under a loan facility or otherwise) such Reference Entity or Reference Obligor (as the case may be) to reimburse or indemnify the Relevant Lender arising out of a drawing under a Letter of Credit.

"**Loss Amount**" means, in respect of a Reference Obligation:

(a) if the Credit Event specified in the relevant Credit Event Notice with respect to such Reference Obligation is a Restructuring Credit Event (such Reference Obligation, a "**Restructured Reference Obligation**"), the sum of:

(i) the Credit Loss Event Amount; and

(ii) the product of the Restructured Principal Amount in respect of such Reference Obligation and a percentage that is 100 per cent. *minus* the Final Price for such Reference Obligation; and

(b) if the Credit Event specified in the relevant Credit Event Notice is a Failure to Pay or Bankruptcy Credit Event, the product of the Defaulted Notional Amount in respect of such Reference Obligation and a percentage that is 100 per cent. *minus* the Final Price for such Reference Obligation,

subject, in each case, to a minimum of zero and a maximum of the Defaulted Notional Amount as determined by the Calculation Agent.

"**Maximum Portfolio Notional Amount**" means on any date of determination, without duplication:

(a) the Initial Portfolio Notional Amount; *minus*

(b) the aggregate of the Reference Obligation Notional Amounts of all Defaulted Reference Obligations; *minus*

(c) the Adjusted Cumulative Loss Amount; *minus*

(d) the aggregate of all Cancelled Amounts.

"**Non-syndicated Obligation**" means a Reference Obligation in respect of which the Relevant Lender is able to exercise the final decision as to whether any forgiveness or postponement of principal, interest or fees or change in ranking, priority or subordination of such Reference Obligation is agreed.

"**Notes Funding Amount**" means, in respect of any Fixed Rate Payer Payment Date (but, for the avoidance of doubt, not the Closing Date), an amount equal to (i) the aggregate Interest Amount determined by the Calculation Agent, after consultation with the Agent Bank, to be due in respect of the Notes on that Fixed Rate Payer Payment Date (the "**Aggregate Interest Amount**") *plus* (ii) any Aggregate Make-up Amount, Aggregate Make-up Compound Amount, Regular Interest Amount and Compounded Interest Amount to be due in respect of the Notes on that Fixed Rate Payer Payment Date *minus* (iii) the sum of the amount determined by the Calculation Agent, after consultation with the Account Bank, to be such proportion of the Collateral Income Proceeds that will be received by the Issuer on that Fixed Rate Payer Payment Date in respect of the Interest Period ending on that Fixed Rate Payer Payment Date.

"**Obligation(s)**" means Reference Obligations only.

"**Obligation Currency**" means the currency or currencies in which an Obligation is denominated.

"**Paid Loss**" means, with respect to a Verification Date or any other date of determination, the aggregate of all Cash Settlement Amounts (which, for the avoidance of doubt, shall include any Additional Loss Payments) determined prior to such Verification Date or other date of determination *minus* the aggregate of all Loss Adjustment Payments made prior to such Verification Date or other date of determination.

"**Participation**" means a funded participation effected using documentation substantially in the form of the documentation customarily used in the relevant market for participations in obligations of the same nature as the Reference Obligation at that time.

"**Payable Maximum Cash Settlement Amount**" means on any date of determination, the lesser of: (a) the Tranche Notional Amount on such date (prior to any adjustment (if any) to the Tranche Notional Amount to be made on such date); (b) (A) the Maximum Cash Settlement Amount on such date *minus* (B) the Threshold Balance (subject to a minimum of zero); and (c) (A) the Initial Tranche Notional Amount *minus* (B) the Tranche Loss.

"**Pending Liquidated Reference Obligation**" means any Liquidated Reference Obligation in respect of which the Cash Settlement Date has not occurred.

"**Portfolio Notional Amount**" means on any date of determination:

(a) the aggregate of the Reference Obligation Notional Amounts of all Reference Obligations comprising the Reference Portfolio on such date; *minus*

(b) the aggregate of the Reference Obligation Notional Amounts of all Defaulted Reference Obligations.

"**Potential Defaulted Reference Obligation**" means any Reference Obligation in respect of which a Potential Failure to Pay has occurred but the Event Determination Date in respect thereof has not occurred and in respect of which a Potential Failure to Pay Extension Notice has been delivered in accordance with the Credit Default Swap.

"**Potential Failure to Pay**" has the meaning given to it in the 2003 Definitions.

"**Potential Failure to Pay Extension Notice**" means, with respect to a Potential Defaulted Reference Obligation of a Reference Entity, an irrevocable notice from the Swap Counterparty to the Issuer that (a) states that as at the date of the notice, a Potential Failure to Pay has occurred with respect to any Reference Obligation of the relevant Reference Entity on or after the Closing Date and on or prior to the Credit Protection Term End Date and has not become a Failure to Pay Credit Event nor is capable of becoming a Failure to Pay Credit Event on or prior to the Credit Protection Term End Date, (b) specifies the Potential Defaulted Reference Obligation with respect to such Reference Entity, (c) contains a description in reasonable detail of the facts relevant to the determination that a Potential Failure to Pay event has occurred and (d) if appropriate, indicates the date of the occurrence of such Potential Failure to Pay event.

"**Quotation**" means each quotation obtained in accordance with the provisions of the Credit Default Swap, *provided* that each such quotation shall not include accrued but unpaid interest.

"**Quotation Amount**" means, with respect to a Reference Obligation:

(a) if the Credit Event specified in the relevant Credit Event Notice is a Restructuring Credit Event, the Restructured Principal Amount of such Reference Obligation *less* any Recovery Amount that has been received by the Relevant Lender prior to the Workout Cut-off Date, if any; and

(b) if the Credit Event specified in the relevant Credit Event Notice is a Failure to Pay or Bankruptcy Credit Event, the Defaulted Notional Amount of such Reference Obligation *less* any Recovery Amount that has been received by the Relevant Lender prior to the Workout Cut-off Date, if any.

"**Reference Collateral**" means, with respect to a Reference Obligation or Defaulted Reference Obligation, any Security Interest granted to, or for the benefit of, the Relevant Lender as security for the obligations of the Reference Entity and/or Reference Obligor under the Reference Obligation or Defaulted Reference Obligation, as the case may be, *provided* that the Reference Collateral shall not include any of the aforementioned interests to the extent that it is held for the benefit of a person other than the Relevant Lender and in respect of such Reference Obligation.

"**Reference Entity**" means, with respect to any Reference Obligation, the entity identified as such by an identification code in the Reference Registry in respect of such Reference Obligation (being the obligor in respect thereof (a "**Reference Obligor**"), or, in respect of any Reference Obligation that is subject to a guarantee, the guarantor in respect thereof (a "**Reference Obligation Guarantor**")).

"**Reference Entity Successor**" means, in relation to a Reference Entity, one or more direct or indirect successors to such Reference Entity that assume liability in respect of any relevant Reference Obligation by way of merger, consolidation, amalgamation, transfer or otherwise, whether by operation of law or pursuant to any agreement, as determined by the Calculation Agent (after consultation with the Swap Counterparty).

"**Reference Obligation Due Date**" means the later to occur of: (i) the maturity date of such Reference Obligation (or Underlying Reference Obligation, as the case may be); or (ii) the date designated by the Swap Counterparty as the Reference Obligation Due Date thereof. The extension of the Reference Obligation Due Date in respect of any Reference Obligation will be treated as a Replenishment as if such Reference Obligation were added to the Reference Portfolio and, accordingly, such extension may not be effected unless the Reference Obligation (and, for the avoidance of doubt, the related Reference Entity) is in compliance with the Eligibility Criteria and the Reference Portfolio is, or is deemed to be, thereafter in compliance with the Replenishment Conditions.

"**Relevant Date**" means:

(a) subject to paragraph (c) below, with respect to any Reference Obligation comprising the Reference Portfolio on the Closing Date, the Initial Portfolio Composition Date; or

(b) subject to paragraph (c) below, with respect to any Reference Obligation that has been added to the Reference Portfolio as a new Reference Obligation after the Closing Date pursuant to the Credit Default Swap, the relevant Replenishment Date in respect of such Reference Obligation; or

(c) with respect to any Reference Obligation already forming part of the Reference Portfolio which is the subject of a Replenishment involving an increase in the Reference Obligation Notional Amount of that Reference Obligation, the Relevant Date in respect of the increased amount shall be the date of that Replenishment, and the Relevant Date in respect of the existing amount shall remain the date determined pursuant to paragraphs (a) or (b) (as applicable) above.

"**Relevant Lender**" means, with respect to a Reference Obligation and as of any date of determination, the lender of record of such Reference Obligation (or, in the case of a Reference Obligation that is an LOC Reimbursement Obligation, the issuer (or any transferee from the issuer) of the related Letter of Credit) as determined from time to time by the Swap Counterparty for the purposes of the Credit Default Swap.

"**Replenishment Conditions**" means the provisions as set out in Schedule D to the Swap Confirmation specifying the conditions to be satisfied with respect to Replenishments made to the Reference Portfolio and as set out under the section entitled "*Replenishment Conditions*" herein.

"**Replenishment Period**" means the period from and including the Closing Date to but excluding the earliest of:

(a) the date on which the aggregate of the Reference Obligation Notional Amounts of (i) all Defaulted Reference Obligations; (ii) all Liquidated Reference Obligations; and (iii) all Reference Obligations that are neither Defaulted Reference Obligations nor Liquidated Reference Obligations in respect of which the relevant Reference Entity has a SCB Corporate Risk Factor of 13 or 14, exceeds 5 per cent. of the Initial Portfolio Notional Amount;

(b) 28 September 2015; and

(c) the Initial Termination Date.

"**Report Date**" means any date selected by the Swap Counterparty occurring no later than 10 Business Days after each Interest Payment Date.

"**Required Currency**" means euro, pound sterling or any other currency in which Budgeted Expenses are denominated.

"**Restructuring**" means, with respect to a Reference Obligation and in relation to an aggregate amount of not less than the Default Requirement, the forgiveness or postponement of principal, interest or fees or a change in the ranking, priority or subordination of such Reference Obligation that results in a value adjustment or other similar debit to the profit and loss account of the Relevant Lender, *provided* that in respect of a Reference Obligation which is a Non-syndicated Obligation, such decision will be made (i) with regard to the standards of a reasonable and prudent lending bank (disregarding for such purposes the effect of any credit protection purchased in respect of such Reference Obligations pursuant to a credit default swap but taking into account any security allocable to that Reference Obligation), (ii) with the intent that such Restructuring is to minimise any expected loss in respect of such Reference Obligation and (iii) the Swap Counterparty shall procure certification of a managing director of the Relevant Lender that such Restructuring is agreed with the intent referred to in the preceding paragraph (ii).

"**SCB Entity**" means each of SCB and/or any of its Affiliates.

"**Security Interest**" means a pledge, mortgage, guarantee or any other security interest.

"**Senior Tranche Notional Amount**" means USD 1,380,000,000.

"**Servicing Principles**" means the servicing principles set out in Schedule E to the Swap Confirmation. See "*Servicing Principles*".

"**Syndicated Obligation**" means a Reference Obligation which is designated as such in the Reference Registry, in respect of which the Relevant Lender is unable to exercise the final decision as to whether any forgiveness or postponement of principal, interest or fees or change in ranking, priority or subordination of such Reference Obligation is agreed.

"**Threshold Amount**" means USD 15,000,000.

"**Threshold Balance**" means, on any date of determination, the greater of:

(a) zero; and

(b) (A) the Threshold Amount *minus* (B) the Adjusted Cumulative Loss Amount (excluding the Verified Loss Amounts for any Pending Liquidated Reference Obligations).

"**Tranche Loss**" means the lesser of:

(a) the Initial Tranche Notional Amount; and

(b) the greater of (i) the Adjusted Cumulative Loss Amount *minus* the Threshold Amount; and (ii) zero.

"**Tranche Notional Amount**" means, on any date of determination, the greater of zero and the Initial Tranche Notional Amount *minus*:

(a) the excess, if any, of the Adjusted Cumulative Loss Amount over the Threshold Amount; and

(b) after the expiry of the Replenishment Period only, the excess, if any, of the Writedown Amounts over the Senior Tranche Notional Amount,

in each case, as at such date, save that on the Initial Termination Date, the Tranche Notional Amount shall be adjusted so that it is equal to the Payable Maximum Cash Settlement Amount on the Initial Termination Date and *provided* that thereafter until the Termination Date, the Tranche Notional Amount shall be adjusted on each Adjustment Date so that it is equal to the Payable Maximum Cash Settlement Amount recalculated on such Adjustment Date.

Upon any reduction of the Tranche Notional Amount occurring as a result of an Amortised Amount being determined, the Calculation Agent shall promptly notify the Issuer, the Swap Counterparty, the Note Trustee and the Administrator in writing of the Amortised Amount and on each Amortisation Notification Date shall notify the Note Trustee, the Administrator and the Principal Paying Agent of the Amortised Amount with respect to the Amortisation Period ending on such date.

"**USD**" means the lawful currency of the United States of America.

"**Valuation Business Day**" means, with respect to a Reference Entity and the related Reference Obligation, each day that is a Calculation Agent City Business Day, that is a Business Day and a day on which commercial banks settle payments and are open for general business (including dealings in foreign exchange currency deposits) in the place of the secondary loan market (if any) for the relevant Reference Obligation of such Reference Entity.

"**Writedown Amounts**" means, on any date of determination after the expiry of the Replenishment Period, the sum of:

(a) the aggregate of the Recovery Amounts which are determined on or prior to such date; and

(b) the Aggregate Reductions determined on or prior to such date.

REFERENCE REGISTRY

The Reference Registry will contain the following items, each expressed (except as set forth below) for each Reference Obligation as of the Initial Portfolio Composition Date (for the initial Reference Registry) or, as the case may be, as of each relevant Replenishment Date or Reset Date. Each Reference Entity, each Reference Obligation and any related Reference Collateral will be identified in the Reference Obligation Files on the basis of the information contained in the Reference Registry. The Reference Registry will not disclose the names of the Reference Entities and will not contain any information that the Swap Counterparty or Relevant Lender is legally constrained from disclosing under applicable laws. The Swap Counterparty shall procure that the Accountant will perform the Agreed Upon Procedures on the Reference Registry. A copy of the Reference Registry as of the Initial Portfolio Composition Date detailing the composition of the Reference Portfolio on such date will be annexed to the Credit Default Swap and will be available for inspection during usual business hours at the specified office of the Listing Agent in Ireland and at the registered office of the Issuer for the life of the Notes.

Reference Obligation Information

In respect of each Reference Obligation:

1. the SCB identification number (the "**Reference Obligation Identifier**") corresponding to such Reference Obligation;

2. the SCB identification number (the "**Reference Entity Identifier**") for the relevant Reference Entity corresponding to such Reference Obligation and, in respect of any Reference Obligation that is subject to a guarantee, in addition, the SCB identification number for the relevant Reference Obligor;

3. the SCB identification number (the "**Reference Entity Group Identifier**") for the Reference Entity Group corresponding to the Reference Entity related to such Reference Obligation;

4. the Reference Obligation Notional Amount of such Reference Obligation, *provided* that for the avoidance of doubt, if the Reference Obligation Notional Amount of any Reference Obligation is reduced to zero, and such Reference Obligation is removed from the Reference Portfolio, it will no longer appear in the Reference Registry;

5. if a Reference Obligation is denominated in a currency other than U.S. Dollars, the Relevant FX Date for such Reference Obligation;

6. the currency of denomination of such Reference Obligation;

7. if a Reference Obligation is denominated in a currency other than U.S. Dollars, the Relevant FX Rate for such Reference Obligation;

8. the Reference Obligation Due Date corresponding to such Reference Obligation;

9. the SCB Corporate Risk Factor for the Reference Entity related to such Reference Obligation;

10. the Moody's Industry Group and related Moody's Industry Code of the Reference Entity relating to such Reference Obligation;

11. the S&P Industry Group and related S&P Industry Code of the Reference Entity relating to such Reference Obligation;

12. the SCB Industry of the Reference Entity relating to such Reference Obligation;

13. the Country of Domicile of the Reference Entity relating to such Reference Obligation;

14. whether such Reference Obligation is a Syndicated Obligation or Non-syndicated Obligation;

Defaulted Reference Obligation Information

15. details regarding Defaulted Reference Obligations in the Reference Portfolio and Liquidated Reference Obligations removed from the Reference Portfolio (to be recorded in separate portions of the Reference Registry);

Portfolio Information

16. the Portfolio Notional Amount; and

17. the aggregate Cancelled Amount, if any.

Definitions

The following terms shall have their respective meanings set forth below (which, to the extent applicable, shall also apply for the purpose of the sections headed "*Eligibility Criteria*" and "*Replenishment Conditions*" in this Prospectus):

"**Country of Domicile**" means, in respect of any Reference Entity, the jurisdictions in which such Reference Entity's significant operations are located and/or where the majority of its assets are situated.

"**Moody's Industry Code**" means, in respect of any Reference Entity, the Moody's industry code of such Reference Entity as determined by the Swap Counterparty as of the Relevant Date for the related Reference Obligation.

"**Moody's Industry Group**" means, in respect of any Reference Entity, the Moody's industry group classification of such Reference Entity as determined by the Swap Counterparty as of the Relevant Date for the related Reference Obligation.

"**Reference Entity Group**" means, in respect of any Reference Entity, such Reference Entity and any other entity forming a single affiliated group with such Reference Entity, as determined in good faith by the Swap Counterparty. Each Reference Entity Group will be identified by a Reference Entity Group Identifier.

"**Reference Obligation Files**" means, in respect of any Reference Obligation, the file(s) or system (including electronic data retrieval system or files kept in microfiche format) containing the relevant terms and/or conditions applicable to such Reference Obligation.

"**S&P Industry Code**" means, in respect of any Reference Entity, the S&P's industry code of such Reference Entity as determined by the Swap Counterparty as of the Relevant Date for the related Reference Obligation.

"**S&P Industry Group**" means, in respect of any Reference Entity, the S&P's industry group classification of such Reference Entity as determined by the Swap Counterparty as of the Relevant Date for the related Reference Obligation.

"**SCB Corporate Risk Factor**" means, in respect of any Reference Entity, the credit rating assigned by SCB to such Reference Entity for the purposes of SCB's generally applicable internal credit evaluation and monitoring processes. A reference to "lower" or "worse" is a reference to an SCB Corporate Risk Factor with a larger alphanumerical value and a reference to "higher" or "better" is a reference to an SCB Corporate Risk Factor with a smaller alphanumerical value.

"**SCB Industry**" means, in respect of any Reference Entity, the industry group classification assigned by SCB to such Reference Entity for the purpose of SCB's generally applicable monitoring processes.

ELIGIBILITY CRITERIA

Each Reference Obligation, and the related Reference Entity, must satisfy the following conditions (i) as of the Initial Portfolio Composition Date in respect of each Reference Obligation comprising the original Reference Portfolio and (ii) as of each Replenishment Date, in respect of each Reference Obligation that is (or is proposed to be) added to the Reference Portfolio (or whose Reference Obligation Notional Amount is (or is proposed to be) increased) on such date:

(a) such Reference Obligation relates to unsubordinated obligations of the relevant Reference Entity that have been analysed in accordance with the Originator's standard credit policies and guidelines;

(b) a Credit Event or other event which, with the giving of notice or the lapse of time (or both) would become a Credit Event, shall not have occurred in relation to such Reference Obligation or Reference Entity, as the case may be;

(c) such Reference Entity is not recorded on the Early Alert Review System;

(d) to the best knowledge of the Swap Counterparty, each Reference Obligation and in respect of any Reference Obligation that is the subject of a guarantee, such Reference Obligation (the "**Underlying Reference Obligation**") and the guarantee to which such Reference Obligation relates (the "**Related Guarantee**") constitutes the legal, valid and binding obligations of the relevant Reference Entity (or underlying obligor, as the case may be) enforceable in accordance with its terms subject to limitations of applicable bankruptcy, insolvency, reorganisation, winding up, moratorium and other laws of general application affecting the enforcement of creditor's rights generally;

(e) the Country of Domicile of the relevant Reference Entity is a Qualifying Country;

(f) the Reference Obligation Due Date of any Reference Obligation shall not be later than the Scheduled Termination Date;

(g) each Reference Entity has an SCB Corporate Risk Factor of 9B or better; and

(h) (i) the aggregate of the Reference Obligation Notional Amounts of all Reference Entities within the same Reference Entity Group shall not exceed USD 15,000,000; and

(ii) the aggregate of the Reference Obligation Notional Amounts of all Reference Entities within the same Reference Entity Group having an SCB Corporate Risk Factor of 8A or worse, shall not exceed USD 9,000,000.

Definitions

The following terms shall have their respective meanings as set forth below (which, to the extent applicable, shall also apply to the section headed "*Servicing Principles*" in this Prospectus):

"**Early Alert Review System**" means the SCB system for identifying risks or potential weaknesses of a material nature in respect of a Reference Entity.

"**Originator**" means SCB and/or any of its Affiliates.

"**Qualifying Country**" means each of Argentina, Australia, Bahrain, Bangladesh, Bermuda, Brazil, British Virgin Islands, Cameroon, Cayman Islands, Channel Islands, China, Colombia, Cote d'Ivoire, Egypt, Finland, France, Germany, Ghana, Hong Kong, India, Indonesia, Italy, Japan, Kenya, Kuwait, Luxembourg, Malaysia, Mauritius, Mexico, Netherlands, New Zealand, Nigeria, Oman, Pakistan, Panama, Peru, Philippines, Puerto Rico, Qatar, Singapore, South Africa, South Korea, Spain, Switzerland, Taiwan, Thailand, Turkey, Uganda, the United Arab Emirates, the United Kingdom, the United States of America, Vietnam, Zambia and any other country with a minimum S&P foreign currency rating of B or Moody's foreign currency rating of B2.

REPLENISHMENT CONDITIONS

The Swap Counterparty may, on a daily basis, subject as described under "*Reference Portfolio – Replenishments*", "*Reference Portfolio – Reductions*", and "*Reference Portfolio – Non-U.S. Dollar Reference Obligations and Resets*", under "*Description of the Credit Default Swap*", replenish the Reference Portfolio, to the extent that, after giving effect to any such Replenishment, the Reference Portfolio complies with the following conditions (the "**Replenishment Conditions**") (for the avoidance of doubt, if the Conditions to Settlement have been satisfied in respect of a Credit Event relating to a Reference Obligation or Reference Entity, such Reference Obligation and the related Reference Entity or such Reference Entity and the related Reference Obligation(s) shall be excluded from the calculations contemplated by the Replenishment Conditions), *provided* that the Reference Obligation Notional Amounts of all Defaulted Reference Obligations will be included in calculations for the purposes of Replenishment Condition (E) and if the Reference Portfolio does not comply with any Replenishment Condition prior to the proposed addition of Reference Obligations (or increase in the Reference Obligation Notional Amount), the proposed addition (or increase) thereof shall be deemed to comply with the Replenishment Conditions if the inclusion of the relevant Reference Obligation (or increase in the Reference Obligation Notional Amount) would not cause the degree of non-compliance with any non-complying Replenishment Condition to worsen:

(A) **Portfolio Condition**

the Portfolio Notional Amount does not exceed the Maximum Portfolio Notional Amount;

(B) **Weighted Average Life Conditions**

(1) the Weighted Average Life of the Reference Portfolio is less than or equal to 1.5 years;

(2) the Weighted Average Life of all the Reference Obligations in respect of Reference Entities with an SCB Corporate Risk Factor of 9A or worse is less than or equal to 0.75 year;

(C) **SCB Corporate Risk Factor Conditions**

the aggregate Reference Obligation Notional Amounts of all Reference Entities in each SCB Corporate Risk Factor category does not exceed the amounts shown in the table below:

SCB Corporate Risk Factor	*Reference Obligation Notional Amounts*
(i) 7A or worse	USD 600,000,000
(ii) 8A or worse	USD 300,000,000
(iii) 9A or worse	USD 90,000,000

for the avoidance of doubt, each of the above categories includes any Reference Obligation with a SCB Corporate Risk Factor of 13 or 14 and, without duplication, any Reference Obligation in respect of which a Credit Event has occurred but the Conditions to Settlement have not been satisfied;

(D) **Industry Concentration Conditions**

(1) the aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of Reference Entities belonging to the S&P Industry Group with the largest aggregate Reference Obligation Notional Amounts does not exceed USD 225,000,000;

(2) the aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of Reference Entities belonging to the S&P Industry Groups with the three largest aggregate Reference Obligation Notional Amounts does not exceed USD 525,000,000;

(3) the aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of Reference Entities belonging to the Moody's Industry Group with the largest aggregate Reference Obligation Notional Amounts does not exceed USD 375,000,000;

(4) the aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of Reference Entities belonging to any one Moody's Industry Group (other than the Moody's Industry Group with the largest aggregate Reference Obligation Notional Amounts) does not exceed USD 300,000,000;

(5) the aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of Reference Entities belonging to any one Moody's Industry Group and having the same Country of Domicile does not exceed USD 150,000,000;

(E) **Moody's Country Concentration Conditions**

(1) for each country with a Moody's Local Currency Ceiling Rating between A1 and Aa1 (inclusive), the aggregate of the Reference Obligation Notional Amount of all Reference Obligations where

the relevant Reference Entity of which is domiciled in such country, must not exceed upon any Replenishment Date the higher of: (i) 18% of the Initial Portfolio Notional Amount *less* the Adjusted Cumulative Loss Amount, and (ii) zero;

(2) for each country with a Moody's Local Currency Ceiling Rating between A3 and A2 (inclusive), the aggregate of the Reference Obligation Notional Amount of all Reference Obligations where the relevant Reference Entity of which is domiciled in such country, must not exceed upon any Replenishment Date the higher of: (i) 15% of the Initial Portfolio Notional Amount *less* the Adjusted Cumulative Loss Amount, and (ii) zero;

(3) for each country with a Moody's Local Currency Ceiling Rating of Baa1, the aggregate of the Reference Obligation Notional Amount of all Reference Obligations where the relevant Reference Entity of which is domiciled in such country, must not exceed upon any Replenishment Date the higher of: (i) 13% of the Initial Portfolio Notional Amount *less* the Adjusted Cumulative Loss Amount, and (ii) zero;

(4) for each country with a Moody's Local Currency Ceiling Rating of Baa2 or worse, the aggregate of the Reference Obligation Notional Amount of all Reference Obligations where the relevant Reference Entity of which is domiciled in such country, must not exceed upon any Replenishment Date the higher of: (i) 8% of the Initial Portfolio Notional Amount *less* the Adjusted Cumulative Loss Amount, and (ii) zero;

(5) for each country with a Moody's Foreign Currency Ceiling Rating between A1 and Aa1 (inclusive), the aggregate of the Reference Obligation Notional Amount of all Reference Obligations (x) which are not denominated in the local currency of such country, and (y) the relevant Reference Entity of which is domiciled in such country, must not exceed upon any Replenishment Date the higher of: (i) 27% of the Initial Portfolio Notional Amount *less* the Adjusted Cumulative Loss Amount, and (ii) zero;

(6) for each country with a Moody's Foreign Currency Ceiling Rating between A3 and A2 (inclusive), the aggregate of the Reference Obligation Notional Amount of all Reference Obligations (x) which are not denominated in the local currency of such country, and (y) the relevant Reference Entity of which is domiciled in such country, must not exceed upon any Replenishment Date the higher of: (i) 22.5% of the Initial Portfolio Notional Amount *less* the Adjusted Cumulative Loss Amount, and (ii) zero;

(7) for each country with a Moody's Foreign Currency Ceiling Rating of Baa1, the aggregate of the Reference Obligation Notional Amount of all Reference Obligations (x) which are not denominated in the local currency of such country, and (y) the relevant Reference Entity of which is domiciled in such country, must not exceed upon any Replenishment Date the higher of: (i) 19.5% of the Initial Portfolio Notional Amount *less* the Adjusted Cumulative Loss Amount, and (ii) zero;

(8) for each country with a Moody's Foreign Currency Ceiling Rating of Baa2 or worse, the aggregate of the Reference Obligation Notional Amount of all Reference Obligations (x) which are not denominated in the local currency of such country, and (y) the relevant Reference Entity of which is domiciled in such country, must not exceed upon any Replenishment Date the higher of: (i) 12% of the Initial Portfolio Notional Amount *less* the Adjusted Cumulative Loss Amount, and (ii) zero;

(9) the aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of Reference Entities with a Country of Domicile in countries without a Moody's Local Currency Ceiling Rating or Moody's Foreign Currency Ceiling Rating shall not exceed USD 45,000,000; and

(F) **Other Country Conditions**

the aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of all Reference Entities with Country of Domicile in India does not exceed USD 225,000,000.

Definitions

For the foregoing purposes, the following terms shall have the respective meanings set forth below:

"**Moody's Foreign Currency Ceiling Rating**" means, in respect of a country in which the relevant Reference Entity's significant operations are located and/or where the majority of its assets are situated, the foreign currency country ceiling rating assigned for bonds in such country by Moody's. If no foreign currency country ceiling rating exists, Moody’s foreign currency government bond rating may be used provided such rating exists.

"**Moody's Local Currency Ceiling Rating**" means, in respect of a country in which the relevant Reference Entity's significant operations are located and/or where the majority of its assets are situated, the local currency country ceiling rating assigned for bonds in such country by Moody's. If no local currency country ceiling rating exists, Moody’s local or foreign currency government bond rating may be used provided such rating exists.

"**Weighted Average Life**" means, with respect to the Reference Portfolio (or certain Reference Entities) as of any date, the number which equals (a) the number obtained by summing the products obtained by multiplying the Reference Obligation Notional Amount of each Reference Obligation in the Reference Portfolio (or such certain Reference Entities) as of the relevant Replenishment Date by the remaining time to the Reference Obligation Due Date measured in years and rounded to the second decimal place, divided by (b) the aggregate of the Reference Obligation Notional Amounts of such Reference Obligations.

DESCRIPTION OF THE INITIAL REFERENCE PORTFOLIO

Certain characteristics of the Reference Portfolio are set forth below and refer to the composition of the Reference Portfolio as at the Initial Portfolio Composition Date. The Reference Portfolio described in this Prospectus complied with the Eligibility Criteria as at the Initial Portfolio Composition Date.

Description of Initial Reference Portfolio

Total outstanding amount	USD 1,500,000,000
Number of Reference Obligations	887
Number of Reference Entities	495
Number of Reference Entity Groups	418
Weighted Average SCB Corporate Risk Factor	6B
Weighted Average Life (years)	1.27

Tables

Figures in these tables have in certain cases been rounded to the nearest $1 or 0.01%.

Distribution by Reference Obligation Balance

Reference Obligation Balance	Number of Reference Obligations	Percentage Number of Reference Obligations	Aggregate of Reference Obligation Notional Amounts (USD)	Percentage Aggregate of Portfolio Notional Amount
Less than or equal to 2,500,000	726	81.85%	$340,225,131	22.68%
2,500,001 to 5,000,000	67	7.55%	$255,480,432	17.03%
5,000,001 to 7,500,000	40	4.51%	$244,132,078	16.28%
7,500,001 to 10,000,000	19	2.14%	$170,254,929	11.35%
10,000,001 to 12,500,000	7	0.79%	$77,236,404	5.15%
12,500,001 to 15,000,000	28	3.16%	$412,671,025	27.51%
	887	100.00%	$1,500,000,000	100.00%

Distribution by SCB Corporate Risk Factor

SCB Corporate Risk Factor	Number of Reference Obligations	Percentage Number of Reference Obligations	Aggregate of Reference Obligation Notional Amounts (USD)	Percentage Aggregate of Portfolio Notional Amount
4B	36	4.06%	$96,259,493	6.42%
5A	147	16.57%	$359,003,965	23.93%
5B	103	11.61%	$196,595,465	13.11%
6A	76	8.57%	$160,440,102	10.70%
6B	99	11.16%	$244,924,564	16.33%
7A	33	3.72%	$82,872,316	5.52%
7B	76	8.57%	$179,842,538	11.99%
8A	31	3.49%	$33,183,138	2.21%
8B	134	15.11%	$57,294,463	3.82%
9A	70	7.89%	$40,301,277	2.69%
9B	82	9.24%	$49,282,678	3.29%
	887	100.00%	$1,500,000,000	100.00%

Distribution by S&P Industry Group

S&P Industry Group	Number of Reference Obligations	Percentage Number of Reference Obligations	Aggregate of Reference Obligation Notional Amounts (USD)	Percentage Aggregate of Portfolio Notional Amount
Air transport	10	1.13%	$38,481,960	2.57%
Automotive	30	3.38%	$50,509,351	3.37%
Beverage & Tobacco	23	2.59%	$18,921,332	1.26%
Building & Development	78	8.79%	$195,087,962	13.01%
Business equipment & services	50	5.64%	$55,091,582	3.67%
Chemicals & plastics	149	16.80%	$142,627,649	9.51%
Clothing/textiles	47	5.30%	$29,732,677	1.98%
Conglomerates	45	5.07%	$135,022,578	9.00%
Containers & glass products	8	0.90%	$10,788,574	0.72%
Cosmetics/toiletries	2	0.23%	$99,483	0.01%
Drugs	13	1.47%	$18,117,028	1.21%
Electronics/electrical	20	2.25%	$12,588,449	0.84%
Equipment leasing	16	1.80%	$41,049,322	2.74%
Farming/agriculture	32	3.61%	$55,762,779	3.72%
Financial intermediaries	17	1.92%	$70,718,964	4.71%
Food products	67	7.55%	$97,100,750	6.47%
Food service	8	0.90%	$634,826	0.04%
Food/drug retailers	2	0.23%	$1,608,413	0.11%
Forest products	21	2.37%	$27,356,178	1.82%
Health care	2	0.23%	$2,012,849	0.13%
Industrial equipment	33	3.72%	$17,576,895	1.17%
Leisure goods/activities/movies	6	0.68%	$3,878,459	0.26%
Lodging & casinos	2	0.23%	$5,185,561	0.35%
Nonferrous metals/minerals	60	6.76%	$144,007,968	9.60%
Oil & gas	9	1.01%	$30,676,664	2.05%
Publishing	7	0.79%	$922,079	0.06%
Radio & Television	2	0.23%	$6,540,965	0.44%
Retailers (except food & drug)	30	3.38%	$62,109,743	4.14%
Steel	24	2.71%	$76,769,341	5.12%
Surface transport	45	5.07%	$86,126,358	5.74%
Telecommunications	20	2.25%	$60,093,534	4.01%
Utilities	9	1.01%	$2,799,727	0.19%
	887	100.00%	$1,500,000,000	100.00%

Distribution by Country of Domicile

Country of Domicile	Number of Reference Obligations	Percentage Number of Reference Obligations	Aggregate of Reference Obligation Notional Amounts (USD)	Percentage Aggregate of Portfolio Notional Amount
Australia	10	1.13%	$45,274,847	3.02%
Austria	10	1.13%	$7,360,833	0.49%
Bahamas	1	0.11%	$1,164,995	0.08%
Bahrain	8	0.90%	$3,413,857	0.23%
Bangladesh	23	2.59%	$3,371,230	0.22%
Botswana	4	0.45%	$3,619,099	0.24%
Brazil	5	0.56%	$35,000,000	2.33%
British Virgin Islands	4	0.45%	$1,326,878	0.09%
Cayman Islands	3	0.34%	$8,109,880	0.54%
China	87	9.81%	$197,419,902	13.16%
Cote D'Ivoire	3	0.34%	$30,000	0.00%
Cyprus	3	0.34%	$5,993,415	0.40%
Finland	2	0.23%	$175,756	0.01%
France	7	0.79%	$20,995,662	1.40%
Germany	4	0.45%	$3,731,387	0.25%
Ghana	11	1.24%	$924,949	0.06%
Hong Kong	95	10.71%	$216,638,683	14.44%
India	143	16.12%	$153,487,005	10.23%
Indonesia	19	2.14%	$44,793,416	2.99%
Jordan	2	0.23%	$3,500,000	0.23%
Kenya	20	2.25%	$636,285	0.04%
Kuwait	1	0.11%	$15,000,000	1.00%
Malaysia	14	1.58%	$39,541,186	2.64%
Mauritius	8	0.90%	$17,703,648	1.18%
Netherlands	13	1.47%	$29,770,430	1.98%
Nigeria	60	6.76%	$17,105,526	1.14%
Oman	1	0.11%	$10,000	0.00%
Pakistan	9	1.01%	$6,564,665	0.44%
Peru	2	0.23%	$9,500,000	0.63%
Philippines	1	0.11%	$15,000,000	1.00%
Qatar	6	0.68%	$2,413,194	0.16%
Saudi Arabia	6	0.68%	$38,825,375	2.59%
Singapore	52	5.86%	$138,133,544	9.21%
South Africa	11	1.24%	$38,582,026	2.57%
South Korea	51	5.75%	$73,565,605	4.90%
Spain	1	0.11%	$549,948	0.04%
Sri Lanka	21	2.37%	$4,181,316	0.28%
Switzerland	26	2.93%	$67,249,547	4.48%
Taiwan	7	0.79%	$4,607,480	0.31%
Thailand	7	0.79%	$12,084,410	0.81%
Turkey	1	0.11%	$5,755,921	0.38%
Uganda	9	1.01%	$1,563,733	0.10%
United Arab Emirates	56	6.31%	$129,939,326	8.66%
United Kingdom	41	4.62%	$47,361,944	3.16%
USA	12	1.35%	$20,747,152	1.38%
Vietnam	7	0.79%	$7,275,945	0.49%
	887	100.00%	$1,500,000,000	100.00%

Distribution by Currency

Currency	Number of Reference Obligations	Percentage Number of Reference Obligations	Aggregate of Reference Obligation Notional Amounts (USD)	Percentage Aggregate of Portfolio Notional Amount
AED	28	3.16%	$38,843,597	2.59%
AUD	3	0.34%	$21,212,537	1.41%
BDT	23	2.59%	$3,371,230	0.22%
BHD	6	0.68%	$3,185,795	0.21%
BWP	6	0.68%	$6,388,388	0.43%
CNY	77	8.68%	$120,933,511	8.06%
EUR	13	1.47%	$45,372,993	3.02%
GBP	8	0.90%	$9,981,566	0.67%
GHS	7	0.79%	$836,296	0.06%
HKD	73	8.23%	$192,147,265	12.81%
IDR	1	0.11%	$96,084	0.01%
INR	70	7.89%	$77,067,240	5.14%
JPY	12	1.35%	$5,995,296	0.40%
KES	12	1.35%	$1,420,872	0.09%
KRW	15	1.69%	$46,987,031	3.13%
LKR	19	2.14%	$3,531,565	0.24%
MYR	9	1.01%	$18,636,270	1.24%
NGN	42	4.74%	$7,000,474	0.47%
NOK	1	0.11%	$39,218	0.00%
OMR	2	0.23%	$7,792,650	0.52%
PHP	3	0.34%	$1,018,426	0.07%
PKR	9	1.01%	$6,564,665	0.44%
QAR	4	0.45%	$11,325,015	0.76%
SGD	21	2.37%	$47,139,347	3.14%
THB	14	1.58%	$15,258,414	1.02%
TWD	4	0.45%	$2,201,422	0.15%
UGX	5	0.56%	$440,818	0.03%
USD	385	43.40%	$768,033,650	51.20%
VND	4	0.45%	$1,053,326	0.07%
XOF	3	0.34%	$30,000	0.00%
ZAR	8	0.90%	$36,095,041	2.41%
	887	100.00%	$1,500,000,000	100.00%

Distribution by Remaining Term

Remaining Term	Number of Reference Obligations	Percentage Number of Reference Obligations	Aggregate of Reference Obligation Notional Amounts (USD)	Percentage Aggregate of Portfolio Notional Amount
Less than or equal to 6 months	332	37.43%	$467,507,240	31.17%
6 months to 1 year	272	30.67%	$387,675,191	25.85%
1 to 1.5 year	41	4.62%	$90,717,925	6.05%
1.5 to 2 years	64	7.22%	$141,979,323	9.47%
2 to 2.5 years	58	6.54%	$119,627,572	7.98%
2.5 to 3 years	76	8.57%	$197,583,657	13.17%
3 to 3.5 years	44	4.96%	$94,909,093	6.33%
	887	100.00%	$1,500,000,000	100.00%

SCB'S CREDIT AND COLLECTION POLICY

Credit Policy

Credit is extended and managed in accordance with Standard Chartered Bank's credit policy (the "**Credit Policy**").

The Credit Policy sets out the fundamental credit principles, disciplines and standards for business origination and the global management of credit risks within the SCB Group. The SCB Group operates two business divisions: "Consumer Banking" and "Wholesale Banking" (such Wholesale Banking division, the "**Wholesale Bank**"). All credit facilities extended to clients in the Wholesale Bank are covered by Business Credit Applications ("**BCAs**").

Scope of Credit Policies

Loan origination comes within the remit of the "Origination and Client Coverage" division of the Wholesale Bank, as part of coordinated account planning, and is supported by complementary cross selling of core products including Financial Markets and Transactional Banking products subject to adequate risk assessment. Clients of the Wholesale Bank consist of four main segments: financial institutions, global corporates, local corporates, and commodity corporates.

Key factors in any credit decision include the repayment ability of the borrower based on assessment of its cashflows, the borrower's management plan, the associated business, industry and management risks, and the overall risk/reward profile of the borrower.

Credit Applications Approval and Reviews

The BCA process is founded on, among other things, information about the customers' background, business activities, terms of trade, supplier and buyer information and an assessment of the borrowers' risk profile (including environmental and social risks etc). Additionally, a 'Know Your Customer' approach establishes clear lines of internal accountability, responsibility and reporting for each customer as are considered essential to identify and prevent money laundering.

BCAs are put up by relationship managers together with credit analysts. In each BCA, each proposed credit exposure must demonstrate (1) a clear understanding of the customer, (2) an analysis of the risks associated with the facilities proposed and the contractual counterparties (whether the customer or otherwise), and (3) a review of the risk adjusted return.

Risk assessment will include, but need not be limited to, an analysis of:

(a) The business environment and general economic outlook;

(b) Current and future business prospects;

(c) Management strengths and weaknesses;

(d) Financial strength;

(e) The size and structure of proposed facilities and the fit with customer needs;

(f) Account performance;

(g) Compliance with policy requirements and portfolio or underwriting standards;

(h) Absolute revenues and risk adjusted rates of return; and

(i) Environmental and social risks.

The level of credit approval is based on loss given default ("**LGD**") and credit grade. The highest level of approval is Group Credit Committee (the "**GCC**") and this extends to levels below the GCC including the Chief Risk Officer (the "**CRO**"), Senior Regional Credit Officers, Regional Credit Officers and Senior Credit Officer depending on the level of LGD.

The GCC requires a quorum of three members, including two representatives from the "Risk" function of the SCB Group. The GCC is chaired by the Deputy Group Chief Risk Officer or Group Chief Credit Officer. Decisions of the GCC must be approved by a majority of its members, however the Chairman has a right of veto.

Each step of the credit approval process is segregated to provide independence and a control, check and balance mechanism:

(a) Origination and Client Coverage – accountable for the credit reviews/applications preparation and submission;

(b) Credit function – responsible for the approval/decline of credit reviews/applications;

(c) Client Documentation Unit ("**CDU**") – ensures all appropriate credit documentation (facilities, security agreements etc.) is in place and verifies that the requisite approvals have been obtained for amended standard documentation and non-standard documentation with Control Functions before issuing the SCC ("**Security Compliance Certificate**") to CRC for limit loading. CDU also updates the documentation and collateral details in the CMS (Collateral Management System); and

(d) Credit Risk Control ("**CRC**") – responsible for the administration of newly approved facilities or any amendments or deletions of existing approved facilities which have been properly approved by credit approvers and have passed pre-processing checks including local regulatory and credit compliance requirements. CRC's key functions include limit loading and updating all terms and conditions as per the relevant facilities approved by credit approvers. These functions will be performed upon receipt of the SCC from the CDU.

Each counterparty is subject to at least an annual review whereby the credit grade is determined, a review of the counterparty is undertaken in line with the Wholesale Bank Risk policy, and the business viability of the relationship assessed. The risk review is prepared by the client relationship function within the Wholesale Bank. Each counterparty must be overseen by an account manager within Origination and Client Coverage.

Internal Credit Risk Rating

The SCB Group uses a set of internal credit grades (comprising the "**Expanded Credit Master Scale**") for quantifying the 1-year probability of default of any given borrower. In order to determine a credit grade (a "**Credit Grade**") a scorecard is used in accordance with the Credit Grading Policy. Each scorecard comprises quantitative and qualitative factors which have been chosen and calibrated based on their ability to predict default, such that the larger the numerical value of the credit grade the higher the probability of default.

A number of scorecards have been developed for different types of borrower by business segment and size. A scorecard generates a credit grade for each borrower which is associated with a 1-year default probability. Credit Grading Policy documents set out the key principles of credit grading appropriate to all scorecards for determining the most appropriate grade for borrowers.

Credit grading of customers, as a part of credit approval process, is a dynamic process and is updated at least annually and when new material information, which can affect the credit grading, becomes available. Grading is a continuous process, not necessarily an annual event.

A separate grading approach is adopted for accounts once they move into impaired loan status.

Currently the Credit Grading scale for Corporate/Banks/Non Banking Financial Institutions consists of 28 Credit Grades that fall into 3 larger classes of risk.

(a) 1A, 1B, 2A, 2B, 3A, 3B, 4A, 4B, 5A, 5B, 6A, 6B, 7A, 7B, 8A, 8B, 9A, 9B, 10A, 10B, 11A, 11B, 11C – performing loans

(b) 12A, 12B, 12C – performing loans managed by GSAM (defined below)

(c) 13, 14 – impaired/non-performing loans

The SCB Group's Credit Grades in Wholesale Banking are not intended to replicate external credit grades, and ratings assigned by external ratings agencies are not used in determining Credit Grades. Nonetheless, as the factors used to grade a borrower may be similar, a borrower rated poorly by an external rating agencies is typically assigned a weak Credit Grade.

As a guide the table below presents the SCB Group's Credit Grades in relation to that of S&P's credit ratings.

	Guidance S&P's Mapping	
Credit Grade	**Corporates / Non Banking Financial Institutions**	**Banks**
1A	AAA	AAA, AA+
1B	AA+	AA, AA-
2A	AA	A+
2B	AA-	A
3A	A+	A-
3B	A	BBB+
4A	A-	BBB+, BBB
4B	BBB+	BBB
5A	BBB	BBB-

5B	BBB-	BB+
6A	BB+	BB+, BB
6B		BB
7A	BB	BB, BB-
7B		BB-
8A	BB-	B+
8B		B+, B
9A	B+	B
9B		B, B-
10A	B	B-
10B		B-, CCC
11A-C	B-	CCC
12A-C	N/A	N/A

In this Prospectus, references to SCB Corporate Risk Factors mean the Credit Grades as described in this section.

Early Identification and Work-out and Recovery Procedures

Early identification, reporting and management of accounts that have risks or potential weaknesses of a material nature are prime credit responsibilities of all relationship managers, which must be undertaken on a continuous basis. This continuous process is known as the "**Early Alert Review**" or "**EAR**".

Early identification and reporting of deteriorating credit signs enables the SCB Group to take swift action to protect the SCB Group's interest. Moreover, early discussion with customers enhances the likelihood of developing strategies mutually acceptable to both the customer and the SCB Group. As such, the SCB Group maintains a policy of monthly early alert meetings, where all accounts marked for early alert are reviewed. The process of Early Alert Review is conducted through this EAR committee, whose senior members include the in-country heads of Origination and Client Coverage, and Group Special Assets Management ("**GSAM**"). The committee is chaired by the CEO for the relevant country.

GSAM is an independent division with direct reporting lines into Group Risk. This autonomy allows for decision making without influence from the originating departments. GSAM manages all Wholesale Bank Credit Grade 12-14 accounts; it also may shadow a small number of accounts graded above CG 12 where early warning signs of deterioration may be evident (as identified by the Early Alert Review) but downgrade to CG 12 is not yet considered necessary. Upon downgrade of an account below Credit Grade 11C, control for the account is immediately transferred from the line manager to a GSAM account manager.

Once an account is transferred to GSAM, a strategy is proposed. Depending on the borrower's circumstances, this strategy could include one of or a combination of the following:

(a) Restructure and return to the Origination and Client Coverage division of the Wholesale Bank once the account is rehabilitated;

(b) Orderly exit which may include sale in the secondary market;

(c) Debt/equity swap;

(d) Realisation of collateral;

(e) Receivership and/or liquidation;

(f) Litigation.

Rehabilitation is always the most desirable outcome when possible.

No assurance can be given that the procedures described above will not change over time.

SERVICING PRINCIPLES

The following servicing principles (the "**Servicing Principles**") shall apply to the servicing of the Reference Obligations. The administration, collection and enforcement of each Reference Obligation, including the enforcement of any security granted in respect thereof, shall be carried out by (i) an SCB Entity (in such capacity, an "**SCB Servicer**") in its capacity as a servicer on behalf of the Relevant Lender or (ii) a third party agent bank (a "**Servicing Agent Bank**", each such Servicing Agent Bank or SCB Servicer, a "**Servicer**") on behalf of an SCB Entity or (iii) an agent bank duly appointed under the relevant Reference Obligation (in this section of this Prospectus, an "**agent bank**").

(a) Standard of SCB Servicer

To the extent that the SCB Servicer is responsible for servicing a Reference Obligation, the SCB Servicer shall, acting as a Prudent Lender:

(i) service each Reference Obligation in accordance with the then prevailing SCB's Credit and Collection Policy that is applicable;

(ii) collect each Reference Obligation that becomes a Defaulted Reference Obligation and enforce any Reference Collateral:

(A) with the aim of maximising recoveries and minimising losses in respect of such Reference Obligation;

(B) in a manner that complies in all material respects with the then prevailing recovery standards that are applicable; and

(C) acting, in good faith, as a prudent creditor would in protecting its own interests; and

(iii) perform the duties in (i) and (ii) above;

(A) with no less care than the SCB Servicer exercises or would exercise in connection with the servicing of assets similar to the Reference Obligations held for its own account as if such Reference Obligations are not the subject of the Credit Default Swap; and

(B) without reference to any hedge contract or contracts of indemnity or financial guaranty contracts that may be entered into with regard to such Reference Obligations.

(b) Discretion of SCB Servicer

(i) The SCB Servicer may, at any time prior to the occurrence of a Credit Event with respect to the relevant Reference Obligation, agree to the release by the Relevant Lender of any Reference Collateral if either (i) in its professional judgement, it concludes that it is required to do so by applicable laws or regulations or contractual arrangements or (ii) does so in the ordinary course of its business and in accordance with its then prevailing Credit and Collection Policy that is applicable.

(ii) Subject to applicable laws and regulations, the SCB Servicer may, on behalf of the Relevant Lender, agree on payment rescheduling or debt restructuring with a Reference Entity in accordance with SCB's then prevailing Credit and Collection Policy that is applicable. Such restructuring shall be granted, in the interest of the Relevant Lender, to mitigate a deterioration of the credit quality of the relevant Reference Entity or to minimise any potential loss in respect of the relevant Reference Obligation.

(iii) In all cases where the SCB Servicer may forgo the repayment of a portion of a Reference Obligation, the SCB Servicer shall have regard to the standard specified in paragraph (a)(3) above.

(c) Servicing Agent Bank or agent bank performing servicing or enforcement functions

If a Servicing Agent Bank or agent bank is or becomes responsible for servicing or enforcing a Reference Obligation, the SCB Servicer shall monitor the Servicing Agent Bank's or agent bank's performance of such functions in accordance with its customary policies, and in particular, the SCB Servicer shall monitor:

(i) the servicing of each such Reference Obligation by a Servicing Agent Bank or agent bank to ensure that such Reference Obligation is serviced in accordance with documentation governing the relevant Reference Obligation; and

(ii) any enforcement action that a Servicing Agent Bank or agent bank takes in respect of any Reference Obligation to ensure that the Servicing Agent Bank or agent bank complies with its obligations under the documentation governing the relevant Reference Obligation.

(d) Recovery standards (applicable to the servicing of the Reference Obligations by the SCB Servicer)

(i) With respect to any Reference Collateral securing a Defaulted Reference Obligation, the SCB Servicer shall, for the purposes of determining losses and Recovery Amount, apply the proceeds thereof (net of external foreclosure costs but without deduction in respect of legal and other costs of enforcement or any default or other interest) towards discharge of the Defaulted Reference Obligation in accordance with the Collateral Allocation Principles. The SCB Servicer shall notify the Calculation Agent as soon as reasonably practicable of the amount so applied.

(ii) In relation to any Liquidated Reference Obligation that benefits from Reference Collateral, if the SCB Servicer shall determine, on the basis of information supplied by the Relevant Lender, that no further recoveries can be reasonably expected from the realisation of the Reference Collateral it shall promptly notify the Calculation Agent of the same.

(e) Amendments of the recovery standards

SCB may amend or supplement its recovery standards at its sole discretion from time to time, *provided* that if such amendment or supplement may, in the professional judgement of a Prudent Lender, adversely affect the determination of the Loss Amounts from the perspective of the Issuer, it shall not be applied to the Reference Obligations, unless otherwise required by mandatory provisions of law.

Definitions

The following terms shall have their respective meanings set forth below (which, to the extent applicable, shall also apply to the section headed "*Collateral Allocation Principles*" in this Prospectus):

"**Credit and Collection Policy**" means the credit and collection policy applied by SCB from time to time in the assessment and management of the credit risk of its customers in its day to day business and in the event of any variation between such policy as applied by different SCB Entities, such policy as applied by the SCB Entity that is the SCB Servicer in respect of the applicable Reference Obligation.

"**Prudent Lender**" means, at any time, a major financial institution organised in any of Qualifying Countries carrying on a commercial lending and financing business in a Qualifying Country:

(a) which is a prudent lender;

(b) which applies standards which are no less prudent than those of SCB at such time; and

(c) whose primary commercial lending business is limited to borrowers which other financial institutions organised in any of the Qualifying Countries carrying on a commercial lending business in any of the Qualifying Countries would not commonly decline to lend due to the application of their standard credit criteria.

"**Reference Collateral**" means, with respect to a Reference Obligation or Defaulted Reference Obligation any Security Interest granted to, or for the benefit of, the Relevant Lender as security for the obligations of the Reference Entity and/or Reference Obligor under the Reference Obligation or Defaulted Reference Obligation, as the case may be, *provided* that the Reference Collateral shall not include any of the aforementioned interests to the extent that it is held for the benefit of a person other than the Relevant Lender and in respect of such Reference Obligation.

"**Security Interest**" means a pledge, mortgage, guarantee or any other security interest.

COLLATERAL ALLOCATION PRINCIPLES

With respect to a Defaulted Reference Obligation, Reference Collateral shall not include any Security Interest (or any portion thereof) held for the benefit of parties other than the Relevant Lender. Together with such Defaulted Reference Obligation, the relevant Security Interest (including the relevant Reference Collateral) in respect of the Reference Obligation may from time to time also secure (i) any other payment obligations of the related Reference Entity (including other Reference Obligations) and/or (ii) payment claims transferred from time to time by such entity together with a *pro rata* benefit from such Reference Collateral (in each case, a "**Reference Collateral Pool**").

For the purpose of the determination of Recovery Amount and the Loss Amount in respect of any Defaulted Reference Obligation(s) that benefit from Reference Collateral, any realised proceeds of a Reference Collateral Pool securing, amongst other things, one or more Defaulted Reference Obligations shall be allocated to reduce the outstanding principal amount of such Reference Obligation as follows:

(a) if, pursuant to the records of the Relevant Lender, any Reference Collateral is allocated to any particular claim or claims and such Reference Collateral, at any time after the Relevant Date, is relevant for the calculation of regulatory capital and reserves of the Relevant Lender or other regulatory purposes with respect to such claim or claims under the applicable capital adequacy laws and regulations in effect on the Event Determination Date, the proceeds of such Reference Collateral shall be allocated in accordance with such collateral allocation in the records of the Relevant Lender; and

(b) with respect to any Reference Collateral forming part of a Reference Collateral Pool not allocated pursuant to the immediately preceding clause, any proceeds from any such Reference Collateral (for the avoidance of doubt, net of external foreclosure costs but without deduction in respect of legal costs) and any rights of set-off available to the Relevant Lender at the relevant time shall also be allocated on a proportionate basis, between the Reference Obligation secured by such Reference Collateral Pool on the date of determination and the outstanding principal amount, on such date, of all other payment claims (including contingent claims) secured by such Reference Collateral Pool, in each case converted to U.S. Dollars, at the Relevant FX Rate as of the applicable Relevant FX Date. For the avoidance of doubt, only other claims that rank *pari passu* with the Reference Obligation in priority of payment shall be subject to the *pro rata* allocation specified herein and any claims that, by their terms, are subordinated to the Reference Obligation shall not be included in such *pro rata* allocation.

The Reference Collateral Pool may change from time to time, as the claims of the Relevant Lender (or any others as may be relevant) secured by the Reference Collateral Pool may be redeemed and new claims secured by such Reference Collateral Pool created.

With respect to any Reference Obligation that is a syndicated loan or in respect of which claims on a Reference Collateral Pool must be shared with other creditors, the principles set forth above will not apply and instead the principles applicable to all such creditors alike will apply.

THE COLLATERAL SWITCH AGREEMENT

The following description of the Collateral Switch Agreement consists of a summary of certain of its provisions and is qualified by reference to the detailed provisions of the Collateral Switch Agreement to be entered into on the Closing Date. Prospective investors must refer to the Collateral Switch Agreement for detailed information regarding the Collateral Switch Agreement.

On the Closing Date, the Issuer will enter into a collateral switch agreement (as amended, supplemented or otherwise modified from time to time, the "**Collateral Switch Agreement**") with, among others, the Swap Counterparty and the Security Trustee.

Swap Counterparty's Rights

Pursuant to the Collateral Switch Agreement, the Swap Counterparty shall be entitled, at any time after the Closing Date, other than during a Repo Existence Period and subject to satisfaction of the Collateral Switch Conditions, by notice in writing to the Issuer, the Administrator and the Security Trustee, to:

(a) designate an Interest Payment Date as a Repo Commencement Date; and

(b) instruct the Issuer, as at such Interest Payment Date, to (1) enter into a Repurchase Agreement in the Approved Form with an entity (as seller of Eligible Securities) selected by the Swap Counterparty pursuant to which the Issuer will apply all of the Collateral Principal Proceeds in purchasing Eligible Securities from the Repo Counterparty; (2) enter into a Custody Agreement in the Approved Form with an entity (as custodian) selected by the Swap Counterparty pursuant to which the Custodian will be required to agree, among other things, to hold in custody the Eligible Securities purchased by the Issuer pursuant to the Repurchase Agreement; and (3) apply all of the Collateral Principal Proceeds in purchasing Eligible Securities from the Repo Counterparty under the terms of the Repurchase Agreement.

The Swap Counterparty may at any time during a Repo Existence Period and subject to satisfaction of the Collateral Switch Conditions, by notice in writing to the Issuer, the Administrator and the Security Trustee:

(a) designate an Interest Payment Date as the date upon which the existing Collateral Investment is terminated; and

(b) instruct the Issuer to, as at such Interest Payment Date: (1) terminate the then current Collateral Investment in accordance with its terms; (2) if at such time there is no Principal Collections Account, or no account of the Issuer into which the Collateral Principal Proceeds may be held, enter into an Account Bank Agreement in the Approved Form with an entity selected by the Swap Counterparty pursuant to which the Account Bank will be required to agree, among other things, to hold the Collateral Principal Proceeds and operate the Accounts in accordance with the terms of such Account Bank Agreement; and (3) pay all of the Repo Proceeds into the Principal Collections Account pursuant to the terms of the Account Bank Agreement.

The Swap Counterparty may, at any time and from time to time, subject to satisfaction of the Collateral Switch Conditions, direct the Issuer to:

(a) terminate the then current Account Bank Agreement in accordance with its terms and on an Interest Payment Date; and

(b) enter into a replacement Account Bank Agreement in the Approved Form in accordance with the terms of the Account Bank Agreement being terminated with an entity (as account bank) selected by the Swap Counterparty pursuant to which the relevant Account Bank will agree, among other things, to hold the Collateral Principal Proceeds and operate the Accounts in accordance with the terms of such Account Bank Agreement.

If, pursuant to the terms of the Collateral Switch Agreement, the Issuer is required to enter into a Repurchase Agreement, a Custody Agreement or Account Bank Agreement, then in accordance with the terms of the Security Trust Deed, the Issuer will be required to enter into a supplemental deed and/or such other documents as may be required by the Security Trustee pursuant to which the Issuer will grant additional security to the Security Trustee for the benefit of the Secured Parties over its rights, interests and benefits under any such agreements and including in respect of any securities purchased or held on its behalf pursuant to such agreements.

The Swap Counterparty may, at any time and from time to time, subject to satisfaction of the Collateral Switch Conditions, direct the Issuer to terminate any then current Collateral Investment and to invest the Collateral Principal Proceeds in the Alternative Collateral Investment.

"**Collateral Switch Conditions**" means:

(a) with respect to a switch of the Collateral Investment from a cash deposit with the Account Bank to Repo Collateral:

(i) the Repo Counterparty has the Required Repo CP Rating;

(ii) the Repurchase Agreement is in the Approved Form or includes only such amendments as have been approved by the Swap Counterparty and, in respect of any material amendments (other than pricing related information), the Note Trustee;

(iii) the Custodian has the Required Custodian Rating;

(iv) the Custody Agreement is in the Approved Form or includes only such amendments as have been approved by the Swap Counterparty and, in respect of any material amendments (other than pricing related information), the Note Trustee; and

(v) the Repo Counterparty has provided the Custodian and the Note Trustee with an internal legal opinion in a form satisfactory to each of them as to its capacity and authority to enter into the Repurchase Agreement;

(b) with respect to a switch of the Collateral Investment from Repo Collateral to a cash deposit with the Account Bank:

(i) the Account Bank has the Required Account Bank Rating; and

(ii) the Account Bank Agreement is in the Approved Form or includes only such amendments as have been approved by the Swap Counterparty and, in respect of any material amendments (other than pricing related information), the Note Trustee; and

(c) with respect to a change of the Account Bank:

(i) the substitute Account Bank has the Required Account Bank Rating; and

(ii) the substitute Account Bank Agreement is in the Approved Form or includes only such amendments as have been approved by the Swap Counterparty and, in respect of any material amendments (other than pricing related information), the Note Trustee.

"**Approved Form**" means:

(a) with respect to the Repurchase Agreement, the form of the repurchase agreement attached as Schedule 1 to the Collateral Switch Agreement;

(b) with respect to the Custody Agreement, the form of the custody agreement attached as Schedule 2 to the Collateral Switch Agreement; and

(c) with respect to the Account Bank Agreement, an agreement substantially in the form of the Account Bank Agreement executed on the Closing Date by the Issuer, the Account Bank and others.

"**Collateral Investment**" means, as at any date of determination, (a) if as at such date the proceeds of the Notes (or the remainder thereof) are held in the Principal Collections Account, the cash deposit thereunder, or (b) if as at such date the proceeds of the Notes (or the remainder thereof) are invested in Repo Collateral pursuant to a Repurchase Agreement, the investment thereunder.

"**Alternative Collateral Investment**" means, in respect of any Collateral Investment, any collateral investment in a form other than in the form of such Collateral Investment.

APPROVED FORM OF THE REPURCHASE AGREEMENT AND CUSTODY AGREEMENT

The following descriptions of the Approved Form of the Repurchase Agreement and the Approved Form of the Custody Agreement consist of a summary of certain provisions of the form of the Repurchase Agreement and the Custody Agreement each as scheduled to the Collateral Switch Agreement to be entered into on the Closing Date and is qualified by reference to the provisions thereof. The following summary does not purport to be complete and prospective investors must refer to the Approved Form of the Repurchase Agreement or the Approved Form of the Custody Agreement, as appropriate, for detailed information.

Approved Form Repurchase Agreement

Pursuant to the Collateral Switch Agreement, the Issuer may be required to enter into a repurchase agreement (as amended, supplemented or otherwise modified from time to time, the "**Repurchase Agreement**") with the relevant repo counterparty approved in accordance with the terms of the Collateral Switch Agreement (in such capacity and including any Successor thereto, the "**Repo Counterparty**"). The terms of the Approved Form Repurchase Agreement are set out below.

Form of Repurchase Agreement

Any Repurchase Agreement will be substantially in the form of the PSA/ISMA Global Master repurchase agreement (1995 Version). Pursuant to a Repurchase Agreement, the Issuer will, on the relevant Repo Commencement Date, enter into a transaction (the "**Initial Transaction**") pursuant to which the Issuer will (a) on the relevant Repo Commencement Date, purchase Eligible Securities from the Repo Counterparty at a purchase price (the "**Initial Purchase Price**") equal to the Outstanding Principal Balance of the Notes as at such Repo Commencement Date; (b) from time to time in accordance with the terms of such Repurchase Agreement, purchase further Eligible Securities upon the occurrence of certain events as described below; and (c) from time to time in accordance with the terms of such Repurchase Agreement, sell an amount of Eligible Securities to the Repo Counterparty in order to fulfil certain payment obligations as described below.

Repo Existence Period

The following description applies with respect to and during any Repo Existence Period.

Repo Collateral

"**Repo Collateral**" shall mean, at any time during any Repo Existence Period, all Eligible Securities purchased by the Issuer from the Repo Counterparty or delivered by the Repo Counterparty to the Issuer by way of margin or substitution (or, if applicable, the cash proceeds thereof) and which, at such time, have not been repurchased by or redelivered to the Repo Counterparty.

"**Eligible Securities**" means:

(a) any obligation of any government of a country which at the relevant time of determination is a member of the Organisation for Economic Co-Operation and Development (such government an "**OECD Government**") that (1) is, when purchased as or added to Purchased Securities or when transferred as Margin Securities, rated at least Aaa by Moody's and AAA by S&P, (2) is either a direct obligation of such OECD Government or guaranteed by such OECD Government which guarantee is unconditional but for any requirement for the beneficiary to give notice that payment is due under such guarantee or similar procedural requirement for the payment or repayment of money, (3) is in the form of or represented by a bond, note (other than notes delivered pursuant to loans), certificated debt security or other debt security, (4) ranks at least *pari passu* with the obligations of such OECD Government that are neither subordinated by their terms (or otherwise) nor secured, (5) is payable in an amount equal to its stated principal amount, (6) is not repayable in an amount determined by reference to any formula or index, (7) the repayment of which is not, pursuant to the terms of such obligation, subject to any contingency, (8) is denominated in U.S. Dollars, (9) has a remaining maturity of 10 years or less and (10) bears interest at either a fixed rate or a floating rate that is paid on a periodic basis and is computed on a bench mark interest rate *plus* or *minus* a margin, if any;

(b) any obligation of a corporate obligor (other than the Repo Counterparty or any related group entity of the Repo Counterparty) that (1) is, when purchased as or added to Purchased Securities or when transferred as Margin Securities, rated at least Aaa by Moody's and AAA by S&P, (2) is either a direct obligation of such obligor or guaranteed by such obligor which guarantee is unconditional but for any requirement for the beneficiary to give notice that payment is due under such guarantee or similar procedural requirement for the payment or repayment of money, (3) is in the form of or represented by a bond, note (other than notes delivered pursuant to loans), certificated debt security or other debt security, (4) ranks at least *pari passu* with the obligations of such obligor that are neither subordinated by their terms (or otherwise) nor secured, (5) is payable in an amount equal to its stated principal amount, (6) is not repayable in an amount determined by reference to any formula or index, (7) the repayment of which is not, pursuant to the terms of such obligation, subject to any contingency, (8) is denominated in U.S. Dollars, (9) has a remaining

maturity of 10 years or less, (10) bears interest at either a fixed rate or a floating rate that is paid on a periodic basis and is computed on a bench mark interest rate *plus* or *minus* a margin, if any, and (11) the market value of which does not have a material positive correlation with the credit quality of the Repo Counterparty; and

(c) at any time during the Repo Existence Period, excludes any obligation of any special purpose vehicle or structured investment vehicle ("**SIV**") under any structured finance or repackaging securities, including but not limited to collateralised debt obligations ("**CDOs**"), collateralised loan obligations ("**CLOs**"), mortgage backed securities or asset backed securities.

Each of "**Purchased Securities**" and "**Margin Securities**" shall be defined in the Repurchase Agreement.

Issuer Payment and Repurchase of Equivalent Securities

On each Payment Date, occurring during any Repo Existence Period, on which an amount of principal in respect of the Notes is due and payable and/or any amount (including any Cash Settlement Amount and/or Interest Deduction Amount) is due and payable by Issuer under the Credit Default Swap (each, an "**Issuer Payment**"), the Issuer will sell and the Repo Counterparty shall repurchase an amount of Equivalent Securities to the extent necessary to realise the funds required to make each such payment.

On each such date the Repo Counterparty shall repurchase Equivalent Securities in exchange for a cash amount equal to the Issuer Payment then due and the Initial Transaction shall be adjusted on the relevant Payment Date as follows:

(a) the Issuer shall deliver to the Repo Counterparty Equivalent Securities having an aggregate Market Value equal, to the extent practicable, to the amount of the relevant Issuer Payment and the Repo Counterparty shall pay to the Issuer an amount in U.S. Dollars which is equal to the amount of such Issuer Payment;

(b) the securities comprising the Repo Collateral shall be reduced accordingly; and

(c) on the relevant Payment Date the Purchase Price (as defined below) shall be reduced by an amount equal to the Issuer Payment.

Except as otherwise specified in any Repurchase Agreement, the terms of the Initial Transaction shall not be affected by such adjustment.

Securities are "**equivalent to**" any Eligible Securities if they are (i) issued by the same issuer, (ii) part of the same issue and (iii) of an identical type, nominal value, description and (except where otherwise stated) amount as those Eligible Securities. If and to the extent that such Eligible Securities have been redeemed the expression "equivalent to" means a sum of money equal to the proceeds of redemption. The term "**Equivalent Securities**" shall be construed accordingly.

"**Market Value**", with respect to any Eligible Securities as of any time on any date, means the price for such Eligible Securities at such time on such date obtained from a generally recognised source determined in good faith by the Custodian (and where different prices are obtained for different delivery dates, the price so obtainable for the earliest available such delivery date) (*provided* that the price of Eligible Securities that are suspended shall (for the purposes of the margin maintenance provisions in the Repurchase Agreement) be nil and (for all other purposes) be the price of those Eligible Securities as of close of business on the dealing day in the relevant market last preceding the date of suspension) *plus* the aggregate amount of income which, as of such date, has accrued but not yet been paid in respect of the Eligible Securities to the extent not included in such price as of such date.

Principal Reinstatements

During a Repo Existence Period, on any Payment Date on which the Outstanding Principal Balance of the Notes is to be increased by a Reinstatement Amount (but only to the extent that such Reinstatement Amount relates to a Loss Adjustment Payment) as of such Payment Date pursuant to the Conditions, the Issuer shall, on such date, following receipt of such amounts from the Swap Counterparty pursuant to the Credit Default Swap, apply an amount equal to such Reinstatement Amount in purchasing from the Repo Counterparty Eligible Securities the Market Value of which is at least equal to such Reinstatement Amount multiplied by the Margin Ratio. All such Eligible Securities purchased shall be subject to the Security created by the Security Trust Deed and shall form part of the Charged Assets.

The Initial Transaction shall be adjusted on such Payment Date, including in the following manner:

(a) the Purchase Price shall be increased by an amount equal to the aggregate Reinstatement Amounts; and

(b) the securities comprising the Repo Collateral shall be increased accordingly.

Except as otherwise specified in the Repurchase Agreement, the terms of the Initial Transaction shall not be affected by such adjustment.

Downgrading of Eligible Securities

If any Eligible Securities then constituting part of the Repo Collateral are downgraded below Aaa by Moody's or AAA by S&P (such rating being the "**Required Minimum Securities Rating**") the Repo Counterparty shall be required to, within 30 calendar days of such downgrade, substitute pursuant to the Repurchase Agreement, Eligible Securities having the Required Minimum Securities Rating with a Market Value at least equal to the Market Value of such downgraded securities in replacement of such downgraded securities or shall agree with the Issuer an increased Margin Ratio. Such replacement Eligible Securities will constitute replacement Repo Collateral.

Ultimate Repurchase Obligation

If the Notes Termination Date occurs during a Repo Existence Period, on the Notes Termination Date, the Repo Counterparty shall repurchase from the Issuer securities equivalent to all of the Repo Collateral on such date at a price equal to the Outstanding Repurchase Price as at such date (the "**Ultimate Repurchase Obligation**").

The "**Outstanding Repurchase Price**" will, at any time, be the aggregate of the Purchase Price and any accrued and unpaid Repo Premium.

The "**Purchase Price**" will (a) initially be the Initial Purchase Price, (b) upon any repurchase by the Repo Counterparty of Eligible Securities, be reduced by the cash amount paid by the Repo Counterparty and (c) upon a further purchase of Eligible Securities by the Issuer on any Payment Date, be increased by an amount equal to the relevant Reinstatement Amount.

Any Repo Collateral so repurchased by the Repo Counterparty shall (once withdrawn from the Custody Account) be released from the Security created by the Security Trust Deed and shall no longer form part of the Charged Assets.

See also "*Termination of Repurchase Agreement and Repo Event of Default*".

Repo Premium

Under the Repurchase Agreement, premium ("**Repo Premium**") will accrue from time to time on the Purchase Price of the Repo Collateral and, on each Payment Date prior to the Notes Termination Date, the Repo Counterparty will be required to pay to the Issuer the amount of Repo Premium accrued during the Interest Period ending on such Payment Date. Repo Premium will be determined by the daily application of (a) a per annum rate equal to USD LIBOR (determined in accordance with the Conditions) *plus* or *minus* a spread (or such other rate as the Repo Counterparty, in its reasonable commercial opinion, may designate as being reflective of the then current market rates, *provided* that prior to any designation of such alternative rate, the Swap Counterparty has consented to such variation), and (b) the actual number of days elapsed during such Interest Period and a 360 day year.

Repo Counterparty Payments

During any Repo Existence Period, all payments made by the Repo Counterparty for the repurchase of Eligible Securities will be deposited into the Principal Collections Account and distributed in accordance with the order of payments set out in the Security Trust Deed. Upon the deposit of any such payment into the Principal Collections Account, the Custodian will deliver to the Repo Counterparty Repo Collateral having a Market Value equal (to the extent practicable) to the amount of such payment, but only to the extent that such delivery will not result in the creation or increase of a Collateral Value Deficiency. Any such limitation on the Market Value of Repo Collateral permitted to be delivered to the Repo Counterparty will not affect the obligation of the Repo Counterparty to pay the full amount of the cash amount applicable.

Repo Tax Events

A "**Repo Tax Event**" shall occur if a change in the fiscal or regulatory regime (including, but not limited to, a change in, law or in the general interpretation of law but excluding any change in any rate of Tax) has resulted or will result in any of the following events:

(a) any payment of Income received by the Issuer in respect of Eligible Securities which are subject to the Repurchase Agreement or Repo Premium is subject to any deduction or withholding for or on account of any Tax; or

(b) any payment by the Issuer to the Repo Counterparty in respect of the Repurchase Agreement is or will (within 90 calendar days of such determination) be subject to any deduction or withholding which is required by law for or on account of any Tax.

If a Repo Tax Event occurs:

(a) the Repo Counterparty has the option under the Repurchase Agreement:

    (i) to indemnify the Issuer against the adverse effect suffered as a result of the relevant Repo Tax Event;

(ii) to receive payments due to it under the Repurchase Agreement net of any deductions or withholdings; or

(iii) take such other reasonable measures to avoid such Repo Tax Event; and

(b) the Issuer or the Repo Counterparty has the option to terminate the Repurchase Agreement (thereby obliging the Issuer to replace the Repo Counterparty or, if applicable, deposit the Repo Proceeds into the Principal Collections Account).

If any payment obligation of the Repo Counterparty under the Repurchase Agreement is subject to any deduction or withholding for or on account of any Tax, the Repo Counterparty will not be obliged to gross up the relevant amount, and the Issuer may receive such amount *less* the amount of any such deduction or withholding.

Daily Mark to Market

To collateralise its obligation to pay the Outstanding Repurchase Price, the Repo Counterparty may, from time to time, be required to deliver margin (in the form of additional Eligible Securities) to the Custodian for the benefit of the Issuer. The Market Value of the Repo Collateral will be determined by the Custodian in accordance with the Market Value calculation procedures set forth in the Repurchase Agreement on each consecutive Business Day falling after the Closing Date (a "**Margin Assessment Date**") during a Repo Existence Period. On any Margin Assessment Date, the aggregate Market Value of the Repo Collateral together with any income received thereon but not yet paid to the Repo Counterparty (the "**Collateral Value**") will be required to be an amount at least equal to the product of the Outstanding Repurchase Price and the Margin Ratio.

To collateralise its obligation to pay the Outstanding Repurchase Price, the Repo Counterparty may be obliged to deliver additional Eligible Securities to the Issuer from time to time. Any additional Eligible Securities so delivered to the Custodian shall constitute additional Repo Collateral. The Market Value of the Repo Collateral will be determined by the Custodian on a daily basis.

The "**Margin Ratio**" for any Business Day means the percentage amount as may be designated by the Repo Counterparty.

The Custodian will, on any Margin Assessment Date on which the Collateral Value is less than the product of the Outstanding Repurchase Price and the Margin Ratio (such deficiency, a "**Collateral Value Deficiency**"), notify the Issuer of the extent of such Collateral Value Deficiency.

On any Margin Assessment Date on which there is a Collateral Value Deficiency, the Repo Counterparty will be required to deliver (on the Settlement Business Day following receipt of notification thereof if such notification is received by 12.00 noon London time, and in respect of any notification received after such time, two Settlement Business Days following receipt hereof) to the Custodian, for deposit into the Custody Account, additional Eligible Securities having a Market Value at least equal to the amount of such Collateral Value Deficiency. All additional Eligible Securities added to the Custody Account shall be subject to the Security created by the Security Trust Deed and shall form part of the Charged Assets.

Any additional Eligible Securities so delivered to the Custodian shall constitute additional Repo Collateral. Failure by the Repo Counterparty to make such delivery within three Settlement Business Days of notification of its failure to make such delivery will be a Repo Event of Default. Upon the occurrence of such a Repo Event of Default, the Issuer shall forthwith notify the Note Trustee and the Noteholders of such event.

"**Settlement Business Day**" means a Business Day as defined in the Conditions upon which Euroclear or Clearstream, Luxembourg or such other settlement system through which the relevant transaction is to be settled or the relevant margin call is to be made is also open to settle business in U.S. Dollars.

On any Margin Assessment Date on which the Collateral Value is greater than the product of the Outstanding Repurchase Price and the Margin Ratio (such excess, the "**Collateral Value Excess**"), upon demand by the Repo Counterparty, the Issuer will be obliged to deliver (on the Settlement Business Day following receipt of notification thereof if such notification is received by 12.00 noon London time and in respect of any notification received after such time, two Settlement Business Days following receipt thereof), securities equivalent to any Repo Collateral to the Repo Counterparty to correct such excess collateralisation. Any Equivalent Securities so delivered to the Repo Counterparty shall reduce the Repo Collateral accordingly. Failure by the Issuer to make such delivery within three Settlement Business Days of notification of its failure to do so will be a Repo Event of Default. Any Eligible Securities so withdrawn from the Custody Account shall be released from the Security created by the Security Trust Deed and shall no longer form part of the Charged Assets.

Income

The Custodian, on behalf of the Issuer, will, subject to the provisions of the Repurchase Agreement, pay over to the Repo Counterparty all Income received by the Custodian (on behalf of the Issuer) in respect of the Repo Collateral.

Any Income so applied shall be released from the Security created by the Security Trust Deed and shall no longer form part of the Charged Assets.

Substitution

The Repurchase Agreement will permit the Repo Counterparty to deliver to the Custodian, on any Business Day, for deposit into the Custody Account, alternative Eligible Securities in substitution or exchange for existing Repo Collateral subject to the Repurchase Agreement, *provided* that such substitution or exchange does not result in the creation or increase of a Collateral Value Deficiency. Any Eligible Securities so delivered to the Custodian shall constitute additional Repo Collateral and any Eligible Securities so returned to the Repo Counterparty shall reduce the Repo Collateral accordingly. Any Repo Collateral withdrawn from the Custody Account and returned to the Repo Counterparty pursuant to such a substitution or exchange shall be released from the Security created by the Security Trust Deed and shall no longer form part of the Charged Assets.

On any Business Day upon which the Issuer holds the proceeds of the redemption of any Repo Collateral, the Repo Counterparty shall deliver to the Issuer Eligible Securities with a Market Value at least equal to such proceeds in substitution for such proceeds. Such substituted Eligible Securities will constitute replacement Repo Collateral.

Acceleration of Ultimate Repurchase Obligation

The Repo Counterparty's Ultimate Repurchase Obligation will be subject to acceleration on the occurrence of a Repo Event of Default and the "**Repurchase Date**" shall be deemed to occur immediately upon the occurrence of a Repo Event of Default.

If the Repurchase Agreement is accelerated as a result of a Repo Event of Default, the obligation of the Repo Counterparty to pay the Outstanding Repurchase Price will be accelerated and netted against the obligation of the Issuer, in such circumstances, to pay the Default Market Value of the Repo Collateral (together with accrued income thereon) to the Repo Counterparty.

If the Repo Counterparty's Ultimate Repurchase Obligation arises for any reason other than those described above, the Repo Counterparty shall repurchase from the Issuer securities equivalent to all of the Repo Collateral on such date at a price equal to the Outstanding Repurchase Price as at such date.

"**Default Market Value**" means the price obtained upon the occurrence of a Repo Event of Default in the manner described in the Repurchase Agreement.

Replacement of Repo Counterparty

The Repo Counterparty may, subject to certain conditions and upon giving at least 30 calendar days' but not more than 60 calendar days' prior written notice to the Issuer and the Security Trustee, choose to substitute any branch, affiliate or agency of it as the counterparty under the Repurchase Agreement.

Termination of Repurchase Agreement and Repo Event of Default

The Repurchase Agreement will be accelerated automatically upon, among other things:

(a) the Notes Termination Date;

(b) the delivery by the Issuer of a default notice under the Repurchase Agreement following the occurrence of a Repo Event of Default for which the Repo Counterparty is the defaulting party (a "**Repo CP Default Event**"); or

(c) the occurrence of a Repo CP Downgrade Event in respect of which no Repo CP Remedial Action has been taken.

As explained under "*Repo Tax Events*", the Repo Counterparty and the Issuer may terminate the Repurchase Agreement upon the occurrence of a Repo Tax Event.

Repo Counterparty Downgrade

If the Repo Counterparty ceases to have the Required Repo CP Rating at any time or its rating is withdrawn at any time (any such event being a "**Repo CP Downgrade Event**"), the Repo Counterparty shall procure (at its expense), within 30 calendar days of the occurrence of such event and in consultation with the Issuer and the Security Trustee, that its obligations under the Repurchase Agreement are either (a) guaranteed by a financial institution with the Required Repo CP Rating; or (b) assumed, on terms substantially similar to the terms of the Repurchase Agreement, by a financial institution with the Required Repo CP Rating (such action being "**Repo CP Remedial Action**").

Any replacement of the Repo Counterparty, repurchase of Eligible Securities or the provision of additional margin shall be at no cost to the Issuer.

Upon the occurrence of a Repo CP Downgrade Event for which no Repo CP Remedial Action has been taken, if the Issuer has not appointed within 30 calendar days of such occurrence of the Repo CP Downgrade Event, a replacement repo counterparty with the Required Repo CP Rating to act as Repo Counterparty under the Repurchase Agreement, the Issuer shall, in accordance with the Security Trust Deed, deposit the proceeds of any repurchase payments made to the Issuer under the Repurchase Agreement into the Principal Collections Account which (along with the proceeds of such account) shall be subject to the Security created pursuant to the Security Documents.

A failure on the part of the Issuer to replace the Repo Counterparty (or enter into an Alternative Collateral Investment in accordance with the Collateral Switch Agreement) following the occurrence of a Repo Event of Default for which the Repo Counterparty is the defaulting party (including the occurrence of a Repo CP Downgrade Event in respect of which no Repo CP Remedial Action has been taken), would constitute an Event of Default with respect to the Notes, if such failure is, in the sole opinion of the Note Trustee, (1) materially prejudicial to the interests of the Noteholders and (2) incapable of remedy or, if capable of remedy, continues unremedied for a period of 30 calendar days following the delivery by the Note Trustee of written notice thereof to the Issuer. If the above Event of Default occurs, then the Note Trustee may, at any time, and shall, if so directed in writing by an Extraordinary Resolution of the Noteholders, and subject to being indemnified and/or secured and/or prefunded to its satisfaction, deliver a Note Default Notice to the Issuer declaring the Notes to be immediately due and payable.

Custody Agreement and Custody Account

During any Repo Existence Period, pursuant to the Custody Agreement, the Custodian will hold the Repo Collateral in the form of Eligible Securities in a designated custody securities account in London in the name of the Issuer (the "**Custody Account**").

The Custodian will cause such holding on behalf of the Issuer to be reflected in its own records and, if permissible, in its client records with Euroclear and/or Clearstream, Luxembourg. Repo Collateral which are received by or on behalf of the Custodian for the account of the Issuer from time to time will be paid into the Issuer's Principal Collections Account maintained with the Account Bank.

Termination of the Custody Agreement and replacement of Custodian

Termination by Custodian

The Custody Agreement may be terminated, without assigning any reason therefor, by the Custodian upon the expiry of not less than 45 calendar days' written notice of termination given by the Custodian to the Issuer, subject to and in accordance with the general termination provisions of the Custody Agreement described below.

Termination by Issuer

The Custody Agreement may be terminated by the Issuer upon the expiry of not less than 45 calendar days' written notice of such termination given by the Issuer to the Custodian, subject to and in accordance with the general termination provisions of the Custody Agreement described below.

In the event that (a) the Custodian ceases to have the Required Custodian Rating or any such rating is withdrawn (any such event being a "**Custodian Downgrade Event**"), (b) the Custodian ceases to be authorised in respect of the activities carried out by it pursuant to the Custody Agreement, for the purposes of the Financial Services and Markets Act 2000 (as amended) (a "**cessation of authorisation**"), or (c) the Custodian is subject to any insolvency proceedings, the Issuer shall, by giving the Custodian not less than 5 Business Days' prior written notice to that effect, replace, within 30 calendar days of such downgrade, cessation of authorisation, or insolvency proceedings, the Custodian (or any successor thereof) with a substitute custodian which must (a) be approved in writing by the Security Trustee and the Swap Counterparty, (b) have the Required Custodian Rating, (c) be so authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) and (d) have entered into an agreement with the Issuer, the Administrator and the Security Trustee substantially on the terms of the Custody Agreement, *provided* that the general termination provisions of the Custody Agreement (described below) are complied with.

General conditions relating to termination of the Custody Agreement

Termination of the Custody Agreement will only take effect upon (and the Custodian will not be released from its obligations until) the satisfaction of the following conditions:

(a) the party delivering the termination notice delivers such notice to the Custodian or the Issuer, as the case may be;

(b) the Security Trustee consents in writing to such termination, such consent not to be unreasonably withheld or delayed; and

(c) the appointment by the Issuer of a substitute custodian with suitable experience (selected by the Swap Counterparty), *provided* that: (1) such appointment is approved in writing by the Security Trustee and the Swap Counterparty (and, in the case of a retirement by the Custodian, the Custodian) and is effective not

later than the termination of the Custody Agreement; (2) such substitute custodian has the Required Custodian Rating; (3) such substitute custodian is authorised in respect of the activities carried out by the Custodian under the Custody Agreement for the purposes of the Financial Services and Markets Act 2000 (as amended); and (4) such substitute custodian has entered into an agreement with the Issuer, the Administrator and the Security Trustee substantially on the terms of the Custody Agreement and provided further that if by the 10th day prior to the expiration of the relevant notice period a substitute custodian has not been appointed, the Security Trustee may appoint any reputable bank or financial institution as the substitute custodian.

The party delivering the termination notice shall also provide the Administrator, the Security Trustee and the Swap Counterparty with a copy of the termination notice at the same time such notice is delivered to the Custodian or the Issuer, as the case may be.

Security in respect of the Repo Collateral

Repo Collateral in the form of Eligible Securities held in the Custody Account and the cash proceeds thereof held in the Principal Collections Account will be subject to a first priority security interest in favour of the Security Trustee.

Proceeds on Enforcement

If the Repurchase Agreement is accelerated on the occurrence of an Enforcement Date only the net proceeds of sale of the Repo Collateral (after payment of any excess, if any, of the Default Market Value of the Repo Collateral over the Outstanding Repurchase Price to the Repo Counterparty) will be available for application by the Security Trustee pursuant to the Enforcement Order of Priority.

On an enforcement of the security interest over the Repo Collateral, the Security Trustee (or an agent thereof) may, pending distribution thereof to the Swap Counterparty and the Noteholders in accordance with the Enforcement Order of Priority, place the cash proceeds of the sale of the Repo Collateral on deposit in the name or under the control of the Security Trustee with any financial institution with the Required Account Bank Rating.

Governing Law

The Repurchase Agreement, the Custody Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England. The parties have submitted to the non-exclusive jurisdiction of the English courts for all purposes in connection with the Repurchase Agreement and the Custody Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with such documents). The Issuer has appointed Maples and Calder, 11th Floor, 200 Aldersgate Street, London EC1A 4HD, attention: Corporate Department/Process Agency in England to accept service of process on its behalf in connection with the Repurchase Agreement and the Custody Agreement.

SECURITY AND CASH ADMINISTRATION

The following descriptions consist of a summary of certain of the security and cash administration provisions of the Security Trust Deed to be entered into on the Closing Date and the Conditions and are qualified by reference to the provisions of the Security Trust Deed and the Conditions, as appropriate. The following summary does not purport to be complete and prospective investors must refer to the Security Trust Deed and the Conditions, as appropriate, for detailed information.

Collection of Funds

All payments of Swap Premium and (during any Repo Existence Period) Repo Premium received by the Issuer from the Swap Counterparty and the Repo Counterparty, respectively shall, upon initial receipt, be deposited into the Interest Collections Account.

"**Interest Collections**" means, for any Payment Date, the sum of the funds standing to the credit of, or credited to, the Interest Collections Account on such date.

The proceeds of the issuance of the Notes and (during any Repo Existence Period) any repurchase payments made to the Issuer under the Repurchase Agreement in respect of Eligible Securities will, upon initial receipt by the Issuer, be deposited into the Principal Collections Account.

"**Principal Collections**" means, for any Payment Date or, as the case may be, Cash Settlement Date, the sum of the funds standing to the credit of, or credited to, the Principal Collections Account on such date.

The Account Bank is required to record:

(a) all payments into the Interest Collections Account and all applications of Interest Collections from the Interest Collections Account; and

(b) all payments into the Principal Collections Account and all applications of Principal Collections from the Principal Collections Account.

Application of Funds

Interest Collections

Prior to the Enforcement Date, on each Payment Date, the Interest Collections for such Payment Date will be allocated and applied as follows:

(a) first, to pay or provide for payment to the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses (excluding Exceptional Expenses) due and unpaid on such Payment Date or anticipated to be payable on or prior to the next following Payment Date;

(b) second, to pay or provide for payment to the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date or anticipated to be payable on or prior to the next following Payment Date, subject to a maximum of USD 250,000 in any one calendar year;

(c) third, to pay or provide for payment to the Operating Creditors, on a *pro rata* and *pari passu* basis, any Budgeted Expenses (excluding Exceptional Expenses) due and unpaid on such Payment Date or anticipated to be payable on or prior to the next following Payment Date;

(d) fourth, to pay any accrued and unpaid interest including any Aggregate Make-up Amount, Aggregate Make-up Compound Amount, Regular Interest Amount and Compounded Interest Amount payable in accordance with Condition 6.12 (*Interest on Principal Reinstatement*) on the Notes due on such Payment Date;

(e) fifth, to pay or provide for payment to the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date or anticipated to be payable on or prior to the next following Payment Date, to the extent not funded pursuant to sub-paragraph (b) above;

(f) sixth, to pay or provide for payment to the Operating Creditors, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date or anticipated to be payable on or prior to the next following Payment Date;

(g) seventh, to pay to the Issuer the Issuer Transaction Fee, if any, due on such Payment Date; and

(h) eighth, on the Final Payment Date only, to pay any remaining balance of the Interest Collections Account into the Principal Collections Account.

On any other date prior to the Enforcement Date the Issuer will apply, or cause to be applied, the funds standing to the credit of the Interest Collections Account, to pay, in the Order of Priority, to the Security Trustee, the Note Trustee and any relevant Operating Creditors any unpaid Budgeted Expenses determined as of the immediately preceding Payment Date which are payable to such party and which have not previously been paid out of the Interest Collections Account.

On the 4th Business Day preceding each Payment Date the Administrator shall determine and inform the Swap Counterparty of the Expenses payable by the Issuer, if any, which will fall due or which it anticipates will fall due on or before the next following Payment Date.

Principal Collections

On each Payment Date falling before the Enforcement Date, the Issuer shall apply, or cause to be applied, the Principal Collections for such Payment Date as follows:

(a) first, to pay to the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses (excluding Exceptional Expenses) due and unpaid on such Payment Date to the extent not paid out of Interest Collections;

(b) second, to pay to the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date to the extent not paid out of Interest Collections, subject to a maximum of USD 250,000 in any one calendar year;

(c) third, to pay to the Operating Creditors, on a *pro rata* and *pari passu* basis, any Budgeted Expenses (excluding Exceptional Expenses) due and unpaid on such Payment Date to the extent not paid out of Interest Collections;

(d) fourth, to pay to the Swap Counterparty each Cash Settlement Amount or Interest Deduction Amount, if any, due on such Payment Date;

(e) fifth, to make payments of principal due on, and reduce to the Minimum Balance the Outstanding Principal Balance (after giving effect to the allocation of any Defaulted Notional Amounts or Additional Loss Payments, if any, on such Payment Date or in the preceding Interest Period) of the Notes;

(f) sixth, to pay the Security Trustee and the Note Trustee, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date to the extent not paid out of Interest Collections and to the extent not funded pursuant to sub-paragraph (b) above;

(g) seventh, to pay the Operating Creditors, on a *pro rata* and *pari passu* basis, any Budgeted Expenses constituting Exceptional Expenses due and unpaid on such Payment Date to the extent not paid out of Interest Collections;

(h) eighth, after the reduction of the Outstanding Principal Balance of each Note to the Minimum Balance and *provided* that Payable Maximum Cash Settlement Amount is reduced to zero, to pay to the Swap Counterparty the remaining funds standing to the credit of the Principal Collections Account (to the extent such funds exceed any due but unpaid Issuer Transaction Fee) toward payment of the Swap Termination Fee which is then due and payable; and

(i) ninth, to pay the balance of the Principal Collections Account to the Issuer.

Allocation and Priority of Application on or after the Enforcement Date

On or after the Enforcement Date, the Administrator shall ensure that the funds in the Interest Collections Account and the Principal Collection Account will be applied in accordance with the provisions of the Security Trust Deed, and in any event, in accordance with the instructions of the Security Trustee.

Security

As continuing security for the payment of all monies payable by the Issuer in respect of the Notes and the other Secured Obligations, the Issuer will, on the Closing Date, enter into a security trust deed (together with any agreement for the time being in force amending or supplementing such deed, the "**Security Trust Deed**") with the Security Trustee and others pursuant to which the Issuer will grant the following security interests to the Security Trustee for the benefit of the Secured Parties:

(a) an assignment by way of first fixed security of all of its rights, title, interests and benefits (present and future), if any, in and to all sums of money to which it is or may be entitled and are from time to time and at any time standing to the credit of the Principal Collections Account, the Interest Collections Account and any other bank account or other account present or future in any jurisdiction (other than the Cayman Islands or elsewhere in which the paid up ordinary share capital of the Issuer and any Issuer Transaction Fee have

been deposited) in which it may at any time acquire any right, title, interest or benefit together with all interest accruing from time to time thereon and the debt represented by such accounts;

(b) an assignment by way of first fixed security of all of its rights, title, interests and benefits (present and future), if any, under each of the Account Bank Agreement, the Administration and Cash Management Agreement, the Agency Agreement, the Corporate Services Agreement, the Registered Office Agreement, the Collateral Switch Agreement, the Credit Default Swap, the Notes, the Note Trust Deed (save for any rights, title, interests and benefits, present and future that it may have against the Security Trustee under the Security Trust Deed), the Security Trust Deed and the Subscription Agreement;

(c) an assignment by way of first fixed security of any and all of its rights, title, interests and benefits (present and future), if any, in and to any amounts that may be held from time to time by any custodian under any custody or other agreement and to any securities credited from time to time to any custody or other account;

(d) an assignment by way of first fixed security of any and all of its rights, title, interests and benefits (present and future), if any, in and to any custody account including, without limitation, its rights against any custodian for the delivery of any specified securities or an equivalent number or nominal value thereof arising in connection with such assets being held in a clearing system or through a financial intermediary and, to the extent that the same may be assigned, all of its, title, interest and benefits (present and future), if any, in and to all assets and property thereinafter belonging to the Issuer and deriving from such assets together with all rights attaching thereto and income deriving therefrom;

(e) an assignment by way of first fixed security of all of its rights, title, interests and benefits (present and future), if any, under any repurchase agreement or other agreement entered into pursuant to or as contemplated in the Transaction Documents from time to time; and

(f) a first floating charge over the whole of its undertaking, property, assets, rights and revenues (other than those situated in the Cayman Islands or elsewhere in which the paid up ordinary share capital of the Issuer and any Issuer Transaction Fee have been deposited) to the extent not effectively encumbered by the fixed security described above.

All of the assets and property which are expressed to be subject to the security created under or pursuant to the Security Documents are herein referred to as the "**Charged Assets**". On enforcement of the Security in accordance with Condition 10 (*Events of Default and Acceleration*), Condition 17 (*Enforcement*) and the Security Trust Deed, the Security Trustee is required to apply monies available for distribution in accordance with the Enforcement Order of Priority.

If, pursuant to the terms of the Collateral Switch Agreement, the Issuer is required to enter into a Repurchase Agreement, a Custody Agreement or an Account Bank Agreement, then in accordance with the terms of the Security Trust Deed, the Issuer shall enter into a supplemental deed and/or such other documents as may be required by the Security Trustee pursuant to which the Issuer will grant additional security to the Security Trustee for the benefit of the Secured Parties of its rights, interests and benefits under any such agreements and including in respect of any securities purchased or held on its behalf pursuant to such agreements.

Enforcement of the Security

The Security Trustee, subject to being indemnified and/or secured and/or prefunded to its satisfaction, (1) shall upon receipt by it of a Note Default Notice, or (2) following the occurrence of an Enforcement Event, may, at its discretion, or shall, if so directed by the Instructing Party, and unless it has already given such notice at such time, give a notice (an "**Enforcement Notice**") to the Issuer (with a copy to the Note Trustee, the Administrator and each Agent) declaring either (A) that the Security has become enforceable pursuant to and upon the delivery of a Note Default Notice or (B) the Security to be enforceable following the occurrence of an Enforcement Event.

The Security shall become enforceable on the Enforcement Date. The "**Enforcement Date**" shall be the date which is the earliest of (1) the Note Default Notice Delivery Date, (2) the date that an Enforcement Notice is deemed to be delivered to the Issuer pursuant to the Security Trust Deed and (3) the date upon which a Swap Acceleration Event occurs.

Enforcement Order of Priority

(a) If the Enforcement Date occurs during a Repo Existence Period, then on the Enforcement Date, if the relevant Repurchase Agreement is accelerated as a result of a Repo Event of Default, the obligation of the relevant Repo Counterparty to pay the Outstanding Repurchase Price will on the Repurchase Date be accelerated and netted against the obligation of the Issuer, in such circumstances, to pay the Default Market Value of the Repo Collateral (together with accrued income thereon) to the relevant Repo Counterparty. The excess, if any, of the Default Market Value of the Repo Collateral over the Outstanding Repurchase Price will be paid to the relevant Repo Counterparty as at such date. In such case, only the net proceeds of sale of the Repo Collateral (after payment of any such excess to the Repo Counterparty) (the "**Repo Proceeds**") will be available for application by the Security Trustee pursuant to the Enforcement Order of Priority.

(b) On or after the Enforcement Date, the Security Trustee shall (subject to any applicable laws including laws of bankruptcy, insolvency, liquidation or other laws affecting creditors' rights generally) apply or cause to be applied the proceeds of realisation of the Charged Assets in the Enforcement Order of Priority set out below:

(i) first, to pay or provide for, in no order of priority, *inter se*, but *pro rata* to the respective amounts payable under the provisions of the Security Trust Deed, the Note Trust Deed and the other Transaction Documents by way of remuneration and/or indemnification or which are otherwise payable by the Issuer to the Security Trustee and the Note Trustee and/or any Receiver appointed pursuant to the Security Trust Deed or the Note Trust Deed, their respective Expenses;

(ii) second, to pay, or provide for on a *pari passu* basis and *pro rata* to the respective amounts payable to the Operating Creditors their respective Expenses (excluding Exceptional Expenses) payable and not previously paid;

(iii) third, to pay or provide for amounts payable to the Swap Counterparty, in respect of the Issuer's obligations to the Swap Counterparty (excluding the Swap Termination Fee) under the Credit Default Swap;

(iv) fourth, to pay, in respect of the Notes, firstly, all amounts of interest then due and payable in respect of the Adjusted Outstanding Principal Balance of the Notes (including any Aggregate Make-up Amount, Aggregate Make-up Compound Amount, Regular Interest Amount and Compounded Interest Amount payable in accordance with Condition 6.12) and, secondly, all amounts of principal then due and payable in respect of the Outstanding Principal Balance of the Notes;

(v) fifth, to pay, or provide for on a *pari passu* basis and *pro rata* to the respective amounts payable to the Operating Creditors their respective Exceptional Expenses payable and not previously paid;

(vi) sixth, to apply the remaining funds, if any, to the extent such funds exceed the amount of any due but unpaid Issuer Transaction Fee, available for distribution toward payment of the Swap Termination Fee; and

(vii) seventh, to pay the balance, if any, to the Issuer.

Governing law

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

USE OF PROCEEDS

On the Closing Date, the proceeds of the offering of the Notes will be deposited by the Issuer into the Principal Collections Account. Collateral Principal Proceeds will be used to pay, among other things, Cash Settlement Amounts which the Issuer may become obliged to pay from time to time pursuant to the Credit Default Swap. See "*Security and Cash Administration — Application of Funds*".

The Issuer will (with funds received on the Closing Date from the Swap Counterparty under the Credit Default Swap), on the Closing Date, pay (or procure the payment of) all fees incurred by it in connection with the issuance of the Notes (including the aggregate expenses related to the admission of the Notes to trading, which are estimated to be USD 20,000) and no amount will be deducted from the proceeds of the issuance of the Notes for such purpose.

THE ISSUER

The Issuer

Oryza 1 CLO Limited, an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 1 June 2012 under the Companies Law (2011 Revision) of the Cayman Islands with company registration number 269308. The registered office of the Issuer is at PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands. The telephone number of the Issuer's registered office and principal place of business is +1 345 945 7099.

The authorised share capital of the Issuer is USD 50,000 divided into 50,000 ordinary shares of USD 1.00 each, 250 of which have been issued. All of the issued shares (the "**Shares**") are fully-paid and are held by MaplesFS Limited as share trustee (in such capacity, the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated on or about 21 June 2012 under which the Share Trustee holds the Shares in 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 Notes Trustee 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 Notes Trustee, 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.

Principal Activities

Since its incorporation, the Issuer has not had any commercial operations, other than those in preparation of the transactions contemplated in this Prospectus, and no financial statements have been prepared in connection with those operations. The Issuer will not have any substantial assets or liabilities other than in connection with the Notes. The Issuer is formed for the limited purposes of:

(a) issuing the Notes;

(b) entering into the Credit Default Swap and the other Transaction Documents; and

(c) entering into the other agreements, deeds, contracts and any lawful transactions incidental to the foregoing.

The Issuer has been established as a special purpose entity for the purposes of issuing the Notes (being asset backed securities) and entering into and performing the Transaction Documents. So long as any of the Notes remain outstanding, the Issuer shall not, without the consent of the Notes Trustee, 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 Transaction Documents), or, amongst other things, declare any dividends, have any subsidiaries or employees, purchase, own, lease, or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Transaction Documents) or issue any shares.

The Issuer has, and will have, no assets other than the sum of USD 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.

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 is required to and will provide the Security Trustee with written confirmation, on an annual basis and in any event not later than 120 days after the end of its financial year (and at any time within 5 Business Days of a demand) a certificate confirming that no Event of Default or Swap Acceleration Event (or an event which, with the giving of notice and/or the lapse of time would constitute an Event of Default or Swap Acceleration Event) as at the date of such certificate, and not more than 5 days prior to the date of the delivery of the certificate, has occurred (or if an Event of Default or Swap Acceleration Event has occurred, specifying the same).

Capitalisation

The following table sets out the capitalisation of the Issuer as at the date of this Prospectus:

Shareholders' Funds	(USD)
Share capital (authorised USD 50,000; issued 250 shares of USD 1.00 each)	
Ordinary Shares of USD 1.00 each	250
Total Capitalisation	250

As at the date of this Prospectus, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Directors of the Issuer

The directors of the Issuer are Betsy Mortel and Murray McGregor.

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

The address of the board of directors is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The Corporate Services Provider

MaplesFS Limited will also act as the corporate services provider of the Issuer (in such capacity, the "**Corporate Services Provider**"). The office of the Corporate Services Provider will serve as the general business office of the Issuer. Through the office, and pursuant to the terms of a Corporate Services Agreement to be entered into between the Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**"), the Corporate Services Provider will perform 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 Corporate Services Agreement. The Issuer and the Corporate Services Provider will also enter into a registered office agreement (the "**Registered Office Agreement**") for the provision of registered office facilities to the Issuer. In consideration of the foregoing, the Corporate Services Provider will receive various fees payable by the Issuer at rates agreed upon from time to time, *plus* expenses. The terms of the Corporate Services Agreement and the Registered Office Agreement provide that either the Issuer or the Corporate Services Provider may terminate such agreements 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 agreements. In addition, the Corporate Services Agreement and the Registered Office Agreement provide that either party shall be entitled to terminate such agreements by giving at least three months' notice in writing to the other party with a copy to any applicable rating agency.

The Corporate Services Provider will be subject to the overview of the Issuer's board of directors. The Corporate Services Agreement and the Registered Office Agreement may be terminated (other than as stated above) by either the Issuer or the Corporate Services Provider giving the other three months written notice.

The Corporate Services Provider's principal office is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

DESCRIPTION OF NOTEHOLDER REPORTS

Pursuant to the terms of the Administration and Cash Management Agreement, the Administrator will prepare and make available a number of reports relating to the transaction. The following is a summary of specific provisions of the Administration and Cash Management Agreement to be entered into on the Closing Date and is qualified by reference to the provisions of the Administration and Cash Management Agreement. The summary does not purport to be complete and prospective investors must refer to the Administration and Cash Management Agreement for detailed information.

Description of Investors' Report

Within 15 Business Days after each Interest Payment Date (a "**relevant Payment Date**"), the Administrator shall produce and make available to the Issuer, the Swap Counterparty, the Paying Agents and the Note Trustee, and if after the Enforcement Date, or at any other time if so requested, then also make available to the Security Trustee, and shall also make publicly available at the Specified Office of the Principal Paying Agent, a report substantially in the form of the Investors' Report as scheduled to the Administration and Cash Management Agreement (the "**Investors' Report**") in respect of the period commencing on and including the Interest Payment Date immediately preceding the relevant Payment Date (or in the case of the first Interest Payment Date, the Closing Date) and ending on but excluding the relevant Payment Date (the "**Relevant Reporting Period**"). The information set out in such Investors' Report will not be verified by the Administrator and will be based solely on the information provided to it by the Swap Counterparty, the Calculation Agent and any Repo Counterparty.

The Investors' Reports with respect to each relevant Payment Date will be made available to the Noteholders on the Administrator's website, currently at https://www.sfr.bankofny.com. The Administrator's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wishing to access the website will be required to certify that they are entitled to access the information posted thereon.

To the extent that the Administrator has received such information from the Swap Counterparty, the Calculation Agent and/or any Repo Counterparty in accordance with the Transaction Documents, the Investors' Report will set forth, among other things, the following information with respect to the Notes in respect of the Relevant Reporting Period (to the extent not previously reported):

(a) details of each Replenishment made during the Relevant Reporting Period and its compliance (as verified by the Calculation Agent and notified to the Administrator) with the Eligibility Criteria and the Replenishment Conditions;

(b) details of each Reduction made during the Relevant Reporting Period;

(c) details of each Cancellation Notice delivered to the Issuer during the Relevant Reporting Period;

(d) details of Credit Event Notices delivered to the Issuer during the Relevant Reporting Period;

(e) details of each Cash Settlement Amount verified and the relevant Cash Settlement Date for each Reference Entity;

(f) the aggregate Cash Settlement Amounts paid at the beginning of the Relevant Reporting Period;

(g) details of other amounts payable under the Credit Default Swap;

(h) the aggregate Defaulted Notional Amounts and Assumed Loss Amounts applied pursuant to the Conditions, in reduction of the Outstanding Principal Balance and Adjusted Outstanding Principal Balance of the Notes during the Relevant Reporting Period;

(i) details of each Reinstatement Amount applied, pursuant to the Conditions, in reinstating the Outstanding Principal Balance of the Notes as at the relevant Reinstatement Date and details of any Loss Adjustment Payments, Additional Loss Payments, any Aggregate Make-up Amount, Aggregate Make-up Compound Amount, Regular Interest Amount, Compounded Interest Amount and Interest Reduction Amount payable on the Notes in accordance with Condition 6.12 (*Interest on Principal Reinstatement*) and any additional amount of interest paid as a result of an Event Determination Date being deemed not to have occurred in respect of the Notes;

(j) details of any Amortised Amounts applied pursuant to the Conditions, in redeeming any Notes as at the relevant Payment Date;

(k) the Outstanding Principal Balance and the Adjusted Outstanding Principal Balance (as at the relevant Payment Date) of the Notes; and

(l) the Interest Amount of the Notes.

Cash Administrator's Report

Within 15 Business Days after each Interest Payment Date (the "**relevant Payment Date**"), the Administrator shall make available to the Issuer, the Swap Counterparty, the Paying Agents and the Note Trustee, and if after the Enforcement Date, or at any other time if so requested, then also make available to the Security Trustee, and shall also make available at the Specified Office of the Principal Paying Agent, a consolidated report substantially in the form of the Cash Administrator's Report as scheduled to the Administration and Cash Management Agreement (the "**Cash Administrator's Report**") in respect of the period commencing on and including the Interest Payment Date immediately preceding the relevant Payment Date (or in the case of the first Interest Payment Date, the Closing Date) and ending on but excluding the relevant Payment Date (the "**Relevant Reporting Period**"). The information set out in the Cash Administrator's Report will not be verified by the Administrator and will be based solely on the information provided to it by the Swap Counterparty, the Calculation Agent, the Principal Paying Agent, the Agent Bank, the Account Bank and any Repo Counterparty.

The Cash Administrator's Reports will be made available to the Noteholders on the Administrator's website, currently at https://www.sfr.bankofny.com. The Administrator's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wishing to access the website will be required to certify that they are entitled to access the information posted thereon.

To the extent that the Administrator has received such information from the Swap Counterparty, the Calculation Agent, the Principal Paying Agent, the Agent Bank, the Account Bank and/or any Repo Counterparty in accordance with the Transaction Documents, the Cash Administrator's Report will set forth, among other things, the following information with respect to the Notes in respect of the Relevant Reporting Period:

(a) Swap Premium payments, any Repo Premium received (if applicable), the interest earned on and credited to the Accounts and aggregate Loss Adjustment Payments received in respect of the Credit Default Swap;

(b) the aggregate amount of Expenses paid;

(c) aggregate Cash Settlement Amounts paid;

(d) aggregate Additional Loss Payments paid in respect of the Credit Default Swap from the Principal Collections Account;

(e) Interest Amounts paid on the relevant Payment Date in respect of the Notes;

(f) any amount of interest payable to the Noteholders or to be deducted in accordance with Condition 6.12 (*Interest on Principal Reinstatement*) in respect of the relevant Payment Date and additional amount of interest paid as a result of an Event Determination Date being deemed not to have occurred and determined in respect of the Notes;

(g) the amount of any principal paid in respect of the Notes;

(h) the Outstanding Principal Balance and the Adjusted Outstanding Principal Balance in respect of the Notes as of such relevant Payment Date;

(i) the date of the next following Interest Payment Date;

(j) USD LIBOR and the Rate of Interest in respect of the Notes; and

(k) the aggregate Interest Amount expected to be payable in respect of the Notes for the next following applicable Interest Period,

in each case assuming that no reduction or reinstatement will be made to the Adjusted Outstanding Principal Balance of the Notes after the determination of the Interest Amount on or after the date of the Cash Administrator's Report.

Governing law

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

ACCOUNT BANK AGREEMENT

The following descriptions consist of summaries of certain of the provisions of the Account Bank Agreement to be entered into on the Closing Date and are qualified by reference to the provisions of the Account Bank Agreement. The following summary does not purport to be complete and prospective investors must refer to the Account Bank Agreement for detailed information.

The Account Bank will provide certain banking services to, and establish and operate the Accounts on behalf of, the Issuer in accordance with the terms of the Account Bank Agreement.

Deposit of Funds into the Accounts

The issue proceeds of the Notes will, as at the Closing Date, be credited to the Principal Collections Account.

Pursuant to the Credit Default Swap, each payment by the Swap Counterparty of Swap Premium will be paid into the Interest Collections Account.

During any Repo Existence Period, pursuant to the relevant Repurchase Agreement, each payment by the Repo Counterparty of Repo Premium will be paid into the Interest Collections Account, any Collateral Income Proceeds in respect of any Repo Collateral received by or on behalf of the Custodian for the account of the Issuer will be credited to the Interest Collections Account and the sale proceeds of the Repo Collateral and all redemption proceeds of any Repo Collateral will be credited to the Principal Collections Account.

The Custodian, on behalf of the Issuer, will, subject to the provisions of the relevant Repurchase Agreement, pay over to the Repo Counterparty all Income received by the Custodian (on behalf of the Issuer) in respect of the Repo Collateral.

If the Notes Termination Date occurs during a Repo Existence Period, the Repo Counterparty shall repurchase from the Issuer securities equivalent to all of the Repo Collateral on such date at a price equal to the Outstanding Repurchase Price as at such date. In accordance with the Security Trust Deed, the proceeds of any repurchase payments made to the Issuer under the Repurchase Agreement shall be deposited into the Principal Collections Account.

Any Loss Adjustment Payments (made up of such amount of Cash Settlement Amount(s) actually paid by the Issuer over the Cash Settlement Amount(s) that should have been paid by the Issuer following the determination of the Adjusted Cumulative Loss Amount pursuant to the Swap Confirmation) will be credited to the Principal Collections Account.

Any due but unpaid Swap Premium and any other amounts due and payable under the provisions of the Swap Confirmation but unpaid (or amounts that would have become due and payable on or prior to the Early Termination Date) will be credited to the Interest Collections Account.

Withdrawal from the Accounts

Unless all Secured Obligations of the Issuer shall have been discharged in full, neither the Issuer nor the Administrator shall, without the consent of the Security Trustee, be entitled to withdraw the monies standing to the credit of any of the Accounts or any part thereof and the Account Bank shall not be under any obligation to release any balance standing to the credit of any of the Accounts (other than to transfer interest amounts between the Accounts) unless and to the extent that its withdrawal is to make payments anticipated under the Security Trust Deed or the Account Bank Agreement.

If the directions to withdraw funds to make payments are received by the Account Bank before 11.00 a.m. London time 2 Business Days prior to the date on which the payment is to be made, the Account Bank shall if so directed comply with such directions by no later than the close of business on the date falling 2 Business Days after receipt of such direction. With respect to directions received at or after 11.00 a.m. London time on any Business Day or on a day which is not a Business Day, the Account Bank is required to comply with such directions on the date falling 3 Business Days after receipt of such directions, or such later Business Day as may be directed.

Interest on Interest Collections Account

Interest shall accrue on the credit balance of the Interest Collections Account for each Interest Period from and including the Closing Date up to but excluding the Final Maturity Date, at a rate of interest agreed from time to time between the Issuer, the Account Bank and the Swap Counterparty and will be credited to the Interest Collections Account in arrear on each Interest Payment Date.

Interest on Principal Collections Account

Interest shall accrue on the credit balance of the Principal Collections Account for each Interest Period (or part thereof) occurring at any other time, at a rate of interest agreed between the Account Bank, the Issuer and the Swap

Counterparty from time to time and will be credited to the Interest Collections Account in arrear on each Interest Payment Date.

Repo Existence Period

The Account Bank Agreement provides that, during any Repo Existence Period, to the extent the Issuer is required to pay any principal amount due on the Notes or any amount (including any Cash Settlement Amount, Additional Loss Payment and/or Interest Deduction Amount) due under the Credit Default Swap (each, an "**Issuer Payment**"), an amount equal to the Issuer Payment shall be released from the Principal Collections Account by the Account Bank upon receipt of an instruction or direction (in accordance with the Account Bank Agreement) to be applied, in accordance with the terms of the Security Trust Deed, in order to make such payment.

Account Bank Downgrade Event

If the Account Bank or its guarantor ceases to have the Required Account Bank Rating or any such rating is withdrawn (any such event being an "**Account Bank Initial Downgrade Event**"), then (a) the Account Bank is required to procure (at the expense of the Issuer), within 30 calendar days of the occurrence of such event, that its obligations under the Account Bank Agreement are guaranteed by a financial institution with the Required Account Bank Rating or (b) the Swap Counterparty is required to procure (at the expense of the Issuer), within 30 calendar days of the occurrence of such event, that the obligations of the Account Bank under the Account Bank Agreement are assumed, on terms substantially similar to the terms of the Account Bank Agreement, by a financial institution with the Required Account Bank Rating. If the Account Bank has not procured that its obligations under the Account Bank Agreement are guaranteed by a financial institution with the Required Account Bank Rating and the Swap Counterparty has not procured that the obligations of the Account Bank under the Account Bank Agreement are assumed, on terms substantially similar to the terms of the Account Bank Agreement, by a financial institution with the Required Account Bank Rating, in each case, within 30 calendar days of the occurrence of such event, such event shall be an "**Account Bank Final Downgrade Event**".

Termination of the Account Bank Agreement and replacement of Account Bank

Termination by Account Bank

The Account Bank Agreement may be terminated by the Account Bank upon the expiry of not less than 45 calendar days' written notice of termination, without assigning any reason therefor, given by the Account Bank to the Issuer, subject to and in accordance with the general termination provisions of the Account Bank Agreement described below.

Termination by Issuer

Pursuant to the Collateral Switch Agreement, the Issuer agrees that if directed by the Swap Counterparty, it shall terminate the Account Bank Agreement and appoint a new entity as account bank in accordance with the terms of the Account Bank Agreement.

The Account Bank Agreement may be terminated by the Issuer upon the expiry of not less than 45 calendar days' written notice of such termination given by the Issuer to the Account Bank, subject to and in accordance with the general termination provisions of the Account Bank Agreement described below.

In addition, the Issuer shall also terminate the Account Bank Agreement by not less than 5 Business Days' prior written notice to the Account Bank in the event that:

(a) an Account Bank Final Downgrade Event has occurred;

(b) the Account Bank becomes incapable of acting or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or a substantial part of its property, or if an administrator, liquidator or administrative or other receiver of it or of all or a substantial part of its property is appointed, or if an order of any court is entered approving any petition filed by it or against it under the provisions of any applicable bankruptcy or insolvency law; or

(c) the Account Bank delivers to the Issuer an opinion of independent legal advisers of recognised standing to the effect that the Account Bank will be required to deduct or withhold an amount on account of Tax from any amount payable to the Issuer in respect of any of the Accounts.

General conditions relating to termination of the Account Bank Agreement

Termination of the Account Bank Agreement will only take effect upon (and the Account Bank will not be released from its obligations until) the satisfaction of the following conditions:

(a) the party delivering the termination notice delivers such notice to the Account Bank or the Issuer, as the case may be;

(b) the Security Trustee (acting on the instructions of the Note Trustee) consent in writing to such termination; and

(c) the appointment by the Issuer of a suitably experienced substitute account bank (selected by the Swap Counterparty) *provided* that: (1) such appointment is approved in writing by the Security Trustee (acting on the instructions of the Note Trustee) and the Swap Counterparty and is effective not later than the termination of the Account Bank Agreement; (2) the substitute bank has the Required Account Bank Rating or if not, its obligations under the replacement account bank agreement are guaranteed by a financial institution with the Required Account Bank Rating; and (3) such substitute bank has entered into an agreement with the Issuer, the Administrator and the Security Trustee substantially on the terms of the Account Bank Agreement (and at the same time thereof, the Issuer shall grant security over its interest in such agreement and any accounts created thereunder in favour of the Security Trustee) and *provided further that* if by the relevant cut-off time as provided in the Account Bank Agreement a substitute account bank has not been appointed then the Security Trustee may appoint any reputable bank or financial institution as the substitute account bank.

The party delivering the termination notice is also required to provide the Administrator, the Security Trustee and the Swap Counterparty with a copy of the termination notice at the same time such notice is delivered to the Account Bank or the Issuer, as the case may be.

A failure on the part of the Issuer to replace the Account Bank following the occurrence of the events described above, would constitute an Event of Default with respect to the Notes, if such failure is, in the sole opinion of the Note Trustee (1) materially prejudicial to the interests of the Noteholders and (2) incapable of remedy or, if capable of remedy, continues unremedied for a period of 30 calendar days following the delivery by the Note Trustee of written notice thereof to the Issuer. If the above Event of Default occurs then the Note Trustee may, at any time, and shall, if so directed in writing by an Extraordinary Resolution of the Noteholders, and subject to being indemnified and/or secured and/or prefunded to its satisfaction, deliver a Note Default Notice to the Issuer declaring the Notes to be immediately due and payable.

Governing law

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

SECURITY TRUSTEE, NOTE TRUSTEE AND AGENTS

The following descriptions consist of summaries of certain of the provisions of the Security Trust Deed, the Note Trust Deed and the Agency Agreement, all of which are to be entered into on the Closing Date, and are qualified by reference to the provisions of the Security Trust Deed, the Note Trust Deed and the Agency Agreement, as appropriate. The following summary does not purport to be complete and prospective investors must refer to the Security Trust Deed, the Note Trust Deed and the Agency Agreement, as appropriate, for detailed information.

Note Trustee

BNY Mellon Corporate Trustee Services Limited will act as note trustee (in such capacity, the "**Note Trustee**") of the Notes on behalf of the Noteholders under the Note Trust Deed to be dated on or about 28 June 2012. The Note Trustee may resign upon not less than 60 calendar days' notice in writing to the Issuer and the Administrator, *provided* that no resignation shall be effective unless there remains a trustee thereof (being a trust corporation) in office after such retirement or until a successor note trustee has been appointed. Upon such notice, the Issuer will appoint a successor note trustee who must be approved in writing by an Extraordinary Resolution of the Noteholders and the Swap Counterparty.

The Note Trust Deed provides that the Note Trustee's appointment may be terminated if at any time the Note Trustee becomes, among other things, incapable of acting, or, is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or if an administrator, liquidator or administrative or other receiver of it or of all or a substantial part of its property is appointed. The Swap Counterparty and the Noteholders will together have the power (in the case of the Noteholders, exercisable by an Extraordinary Resolution of the Noteholders) to direct the Issuer to remove the Note Trustee or any successor note trustee, *provided* that no removal shall be effective unless there remains a note trustee (being a trust corporation) in office after such removal or a successor note trustee shall have been appointed.

Security Trustee

BNY Mellon Corporate Trustee Services Limited will act as security trustee (in such capacity, the "**Security Trustee**") of the security granted by the Issuer under the Security Trust Deed to be dated on or about 28 June 2012 on behalf of itself, the Noteholders and the other Secured Parties. The Security Trustee may resign upon not less than 60 calendar days' notice in writing to the Issuer and the Secured Parties, *provided* that no resignation shall be effective unless there remains a trustee thereof (being a trust corporation) in office after such retirement or until a successor security trustee has been appointed. Upon such notice, the Issuer will appoint a successor security trustee who must be approved in writing by an Extraordinary Resolution of the Noteholders and the Swap Counterparty.

The Security Trust Deed provides that the Security Trustee's appointment may be terminated if at any time the Security Trustee becomes, among other things, incapable of acting, or, is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or if an administrator, liquidator or administrative or other receiver of it or of all or a substantial part of its property is appointed. The Swap Counterparty and the Noteholders will together have the power (in the case of the Noteholders, exercisable by an Extraordinary Resolution of the Noteholders) to direct the Issuer to remove the Security Trustee or any successor security trustee. No removal of any Security Trustee shall become effective unless there remains a security trustee thereof (being a trust corporation) in office after such removal or a successor security trustee shall have been appointed.

Trustees generally

Indemnity

The Note Trustee and the Security Trustee will be indemnified by the Issuer against all Liabilities incurred by it arising out of its appointment as Note Trustee under the Note Trust Deed and/or its appointment as Security Trustee under the Security Trust Deed, as the case may be, except for any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, wilful default, breach of duty, breach of trust or fraud of which the Note Trustee or the Security Trustee (as the case may be) may be guilty in relation to its duties under the Note Trust Deed or the Security Trust Deed (as the case may be).

Pursuant to the Security Trust Deed, the Swap Counterparty has agreed to indemnify and/or secure and/or prefund the Security Trustee and the Note Trustee, respectively, and each of their respective officers, directors, employees and agents or any person appointed by it (including, in the case of the Security Trustee, a Receiver) to whom any trust, power, authority or discretion may be delegated (each, a "**Relevant Party**"), for, and to hold them harmless against, any Exceptional Expenses properly incurred in connection with, on, or after the occurrence of an Event of Default or the Enforcement Date by the Security Trustee, the Note Trustee or such Relevant Party other than any Exceptional Expense resulting from the Security Trustee's, the Note Trustee's or any Relevant Party's, as the case may be, own gross negligence, wilful default, breach of duty, breach of trust or fraud.

Entry into transactions

The Note Trustee and the Security Trustee may enter into any transactions in the ordinary course of business with, among others, the Issuer and any other party to the Transaction Documents and shall not be accountable to, among

others, the Noteholders, the Issuer, or any other party to the Transaction Documents for, among other things, any profit arising or resulting from any such contracts or transactions.

Limitation for Negligence

Neither the Note Trustee nor the Security Trustee will be liable for any Liabilities suffered, sustained or incurred by the Issuer or any Noteholder at any time as a consequence of any action taken, or omission, in good faith in accordance with the Note Trust Deed or the Security Trust Deed, as the case may be, unless caused by the Note Trustee's or the Security Trustee's, as the case may be, own gross negligence, wilful default, breach of duty, breach of trust or fraud.

As more fully set out in the Security Trust Deed, the Security Trustee shall not be:

(a) under any obligation to insure any of the Security or any deeds or documents of title or other evidence in respect of the Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any Liability which may be suffered as a result of the lack of or inadequacy of any such insurance and is not liable with respect to any loss, theft or reduction in value with respect to the Charged Assets;

(b) liable to any Secured Party or other person for any failure to make or to cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Charged Assets and shall not be responsible for any claim arising from the fact that any of the Charged Assets are held in safe custody by any Custodian or held in a clearing system.

As more fully set out in the Security Trust Deed and the Note Trust Deed, the Note Trustee and the Security Trustee shall not be:

(a) responsible for:

  (i) any recitals, statements, representations, warranties of any person contained in the Note Trust Deed, the Notes, any other Transaction Document or any document relating to the Security or other documents entered into in connection therewith;

  (ii) the validity or sufficiency of either the whole or any part of the Note Trust Deed or the other Transaction Documents;

  (iii) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Note Trust Deed or the other Transaction Documents or any document relating thereto or any Security constituted thereby; or

  (iv) the accuracy and/or completeness of any information supplied to it by the Issuer or any other person in connection with, or for the legality, validity, effectiveness, adequacy or enforceability of any documents, certificates, reports and accounts relating thereto or the nature, status, creditworthiness or solvency of the Issuer or any other party to any of the Transaction Documents and shall not (save as otherwise provided in the Note Trust Deed or, as the case may be, the Security Trust Deed) be liable or responsible for any losses to any person, howsoever caused, as a result of taking or omitting to take any action whatsoever in relation to any such documents, or otherwise;

(b) obliged to monitor or supervise the functions of any other person under the Note Trust Deed, or as the case may be, the Security Trust Deed, or any other Transaction Document and each of the Note Trustee and the Security Trustee shall be entitled, in the absence of express notice of a breach of obligation, to assume that each other such person is properly performing its obligations;

(c) under any obligation to monitor, verify or make any determination or have any Liability to any Noteholder, or as the case may be, any Secured Party, or other person with respect to:

  (i) the Credit Default Swap, any list of Reference Entities in respect thereof, the occurrence or type of any Credit Event, any amount determined pursuant to any valuation procedure thereunder, or any Cash Settlement Amount payable thereunder; or

  (ii) if applicable, the value of the Repo Collateral then in existence or the amount of Eligible Securities to be transferred in any circumstance in relation thereto.

The Security Trustee will, not nor shall any Receiver appointed pursuant to the Security Trust Deed or any attorney or agent of the Security Trustee, be liable to any Noteholder or any other Secured Party for any loss, expense or liability which may be suffered as a result of any delay in realising the Repo Collateral unless caused by the Security Trustee's own gross negligence, wilful default, breach of duty, breach of trust or fraud.

Remuneration

For its services rendered as note trustee and security trustee under the Note Trust Deed and the Security Trust Deed respectively, the Issuer will pay the Note Trustee and the Security Trustee the fees agreed between the Issuer, the Swap Counterparty and the Note Trustee and the Security Trustee, respectively.

The Agents

The Notes are subject to the Agency Agreement. References herein to the "**Agents**" are to the Principal Paying Agent, the other Paying Agents, the Registrar, the Calculation Agent and the Agent Bank and any reference to an "**Agent**" is to any one of them.

The Issuer may, with the prior written consent of the Note Trustee and upon at least 30 calendar days' prior written notice, terminate the appointment of any Agent. In certain circumstances, the Issuer may also, with the prior written consent of the Note Trustee, terminate the appointment of any Agent (subject to the appointment of a replacement Agent) immediately upon notice. An Agent may resign upon at least 90 calendar days' prior written notice to the Issuer, the Administrator, the Note Trustee and the Security Trustee and, except in the case of the resignation of the Principal Paying Agent, the Principal Paying Agent. Any resignation by, or termination of the appointment of, any Agent will not be effective until a successor Principal Paying Agent, Registrar, Agent Bank or Calculation Agent, as the case may be, has been appointed in accordance with the terms of the Agency Agreement.

Upon receipt of notice of the resignation of an Agent, the Issuer will, with the prior approval of the Note Trustee, appoint a successor paying agent, agent bank, calculation agent, as the case may be. If, on the 30th calendar day prior to the expiry of any notice of resignation given by an Agent, no successor has been appointed, such Agent may itself, with the prior written approval of the Issuer, the Note Trustee and the Swap Counterparty, appoint a successor.

Each Agent and the directors, officers, employees and controlling persons of such Agent will be indemnified and held harmless by the Issuer against any losses, liabilities, costs, claims, actions, damages, losses, expenses or demands incurred by any of them, other than by reason of the gross negligence, wilful default or fraud arising out of or in connection with the exercise or performance of any of the powers or duties of such persons under the Agency Agreement.

Each Agent will indemnify the Issuer or its directors, officers employees and controlling persons against any losses, liabilities, costs, claims, actions, damages, losses, expenses or demands (other than any consequential losses or damages in connection therewith or by reason of a force majeure event as set out in the Agency Agreement) caused by such Agent's own gross negligence, wilful default or fraud.

For the services of the Agents rendered under the Agency Agreement, the Issuer will pay to the Principal Paying Agent the fees as agreed between the Issuer, the Principal Paying Agent and the Swap Counterparty.

Trustees and Agents

As described above, BNY Mellon Corporate Trustee Services Limited is acting as Note Trustee and as Security Trustee, SCB is acting as Calculation Agent, The Bank of New York Mellon, London Branch is acting as Principal Paying Agent and Agent Bank, The Bank of New York Mellon (Luxembourg) S.A. is acting as Registrar and NCB Stockbrokers Limited is acting as Listing Agent. Each of SCB, BNY Mellon Corporate Trustee Services Limited, The Bank of New York Mellon (Luxembourg) S.A., The Bank of New York Mellon, London Branch and NCB Stockbrokers Limited and their respective affiliates, in providing services in connection with the transactions contemplated by the Transaction Documents, 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 of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities, or be deemed to be held to a standard of care, other than as expressly provided with respect to each such capacity. SCB, BNY Mellon Corporate Trustee Services Limited, The Bank of New York Mellon (Luxembourg) S.A., The Bank of New York Mellon, London Branch and NCB Stockbrokers Limited and their respective affiliates, in their various capacities, in connection with the transactions contemplated by the Transaction Documents, may enter into business dealings, including the acquisition of investment securities, as contemplated by the Transaction Documents, from which they may derive revenues and profits in addition to the fees stated in the various Transaction Documents, without any duty to account therefor.

Governing law

Each of the Note Trust Deed, the Security Trust Deed and the Agency Agreement 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.

STANDARD CHARTERED BANK

Standard Chartered Bank

Standard Chartered PLC ("**SCPLC**"), the ultimate holding company of Standard Chartered Bank ("**SCB**"), Standard Chartered Bank (Hong Kong) Limited and SC First Bank, was incorporated and registered in England and Wales on 18 November 1969 as a company limited by shares. Its ordinary shares and preference shares are listed on the official list of the Financial Services Authority in its capacity as the UK Listing Authority and traded on the London Stock Exchange. SCPLC's ordinary shares are also listed on the Hong Kong Stock Exchange, and through Indian Depository Receipts on the Bombay Stock Exchange and National Stock Exchange of India. SCPLC operates under the Companies Act 2006 and its registered number is 966425. SCPLC's registered office is at 1 Aldermanbury Square, London EC2V 7SB, and its principal place of business in the United Kingdom is at 1 Basinghall Avenue, London EC2V 5DD. SCPLC's telephone number is +44 (0)20 7885 8888. SCPLC adopted new articles of association on 7 May 2010.

SCB was incorporated in England with limited liability by Royal Charter in 1853. SCB's issued share capital comprises ordinary shares, all of which are owned by Standard Chartered Holdings Limited, a company incorporated in England and Wales and a wholly-owned subsidiary of SCPLC, non-cumulative irredeemable preference shares of USD 0.01, all of which are owned by Standard Chartered Capital Investments LLC, a company incorporated in the United States and non-cumulative redeemable preference shares of USD 5.00, all of which are owned by SCPLC. SCB's debt securities are, as at the date of this Prospectus, listed on the Luxembourg Stock Exchange and the official list of the London Stock Exchange. SCB's principal office is at 1 Aldermanbury Square, London EC2V 7SB and its principal place of business in the United Kingdom is at 1 Basinghall Avenue, London EC2V 5DD. SBC's reference number is ZC18.

SCPLC and its subsidiaries (the "**Group**") is an international banking and financial services group particularly focused on the markets of Asia, Africa and the Middle East. As at 31 December 2011, the Group has a network of over 1,700 branches and outlets in over 70 countries and around 87,000 employees worldwide.

The Group, through SCB and its subsidiaries, operates two business divisions: Consumer Banking and Wholesale Banking.

Business divisions

Consumer Banking

Consumer Banking serves the needs of personal, premium, small and medium enterprises and private banking customers, offering a suite of innovative products and services to meet their borrowing, wealth management and transacting needs. A customer focused approach enables deeper understanding of customers' evolving needs and in providing customised financial solutions. Building on a rich history of over 150 years, Consumer Banking has a long track record and deep understanding of fast-growing markets across Asia, Africa and the Middle East.

Wholesale Banking

Wholesale Banking provides a wide range of solutions to help corporate and institutional clients facilitate trade and finance across some of the fastest growing markets and trade corridors in today's global economy. Its focus is on building a client-driven business, being the bank of choice for many clients in Asia, Africa and the Middle East and leveraging its in-depth local knowledge and extensive cross-border network.

With a solid 150-year track record and on-the-ground expertise, Wholesale Banking provides clients with trade finance, cash management, securities services, foreign exchange and risk management, capital raising and corporate and principal finance solutions.

Geographic Markets

The Group's network covers Asia Pacific, the Middle East, South Asia, Africa, the Americas, the United Kingdom and Europe.

Hong Kong

For the year ended 31 December 2011, Hong Kong-based activities contributed USD 3,049 million operating income and USD 1,551 million profit before tax to the Group. For the year ended 31 December 2010, Hong Kong-based activities contributed USD 2,500 million operating income and USD 1,103 million profit before tax to the Group.

Singapore, Malaysia and Other Asia Pacific Regions

For the year ended 31 December 2011, Singapore, Malaysia and other Asia Pacific business contributed USD 5,739 million operating income and USD 2,449 million profit before tax to the Group. For the year ended 31 December

2010, Singapore, Malaysia and other Asia Pacific business contributed USD 4,903 million operating income and USD 1,801 million profit before tax to the Group.

Directors

The directors of SCB and their respective principal outside activities, where significant to SCB, are as follows:

P A Sands Chairman, and Group Chief Executive of SCPLC[1]

J S Bindra Director, Group Executive Director of SCPLC and Chief Executive Officer, Asia[2]

S P Bertamini Director, Group Executive Director of SCPLC, and Chief Executive, Consumer Banking[3]

R H Meddings Director, and Group Finance Director of SCPLC[1]
Non-Executive Director of 3i Group plc

T J Miller Director, Property, Research and Assurance[1]
Non-Executive Director of Michael Page International plc

A M G Rees Director, Group Executive Director of SCPLC and Chief Executive, Wholesale Banking[1]

V Shankar Director, CEO Europe, Middle East, Africa, Americas[4]

Notes:

1. The business address should be regarded for the purposes of this Prospectus as:
   1 Basinghall Avenue
   London EC2V 5DD

2. The business address should be regarded for the purposes of this Prospectus as:
   Standard Chartered Bank (Hong Kong) Limited
   32nd Floor, 4-4A Des Voeux Road
   Central, Hong Kong

3. The business address should be regarded for the purposes of this Prospectus as:
   Plaza By The Park #09-00
   51 Bras Basah Road
   Singapore

4. The business address should be regarded for the purposes of this Prospectus as:
   Standard Chartered Bank, Dubai Branch
   DIFC Level 7, DIFC Bur Dubai
   Dubai 999

The directors of SCPLC and their respective principal outside activities, where significant to SCB, are as follows:

J W Peace Non-Executive Chairman[1]
Chairman of Experian plc and Burberry Group plc

P A Sands Group Chief Executive, Director and Chairman of SCB[1]

J S Bindra Group Executive Director, Chief Executive Officer, Asia[2]

S P Bertamini Group Executive Director, Consumer Banking and Director of SCB[3]

R Delbridge Non-Executive Director[1]

J F T Dundas Non-Executive Director[1]
Chairman of Jupiter Fund Management plc

V F Gooding CBE Non-Executive Director[1]
Non-Executive Director of J Sainsbury plc and the BBC

Dr Han Seung-soo, **KBE** Non-Executive Director[1]

S J Lowth Non-Executive Director[1]
Non-Executive Director of AstraZeneca PLC

R H P Markham Non-Executive Director[1]
Non-Executive Director of Legal and General Group plc, AstraZeneca PLC and United Parcel Service, Inc. and Director of The Financial Reporting Council Limited

R Markland Non-Executive Director[1]
Non-Executive Director of The Sage Group plc

R H Meddings Group Finance Director and Director of SCB[1]
Non-Executive Director of 3i Group plc

J G H Paynter Non-Executive Director[1]
Non-Executive Director of Jardine Lloyd Thompson Group plc

A M G Rees Group Executive Director, Wholesale Banking and Director of SCB[1]

P D Skinner Non-Executive Director[1]
Non-Executive Director of the Tetra Laval International SA and L'Air Liquide SA

O H J Stocken Non-Executive Director[1]
Chairman of Home Retail Group plc, Oval Limited and Stanhope Group Holdings Limited

Notes:

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   London EC2V 5DD

2. The business address should be regarded for the purposes of this Prospectus as:
   Standard Chartered Bank (Hong Kong) Limited
   32nd Floor, 4-4A Des Voeux Road
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3. The business address should be regarded for the purposes of this Prospectus as:
   Plaza By The Park #09-00
   51 Bras Basah Road
   Singapore

TAXATION OF NOTEHOLDERS

United Kingdom Taxation

The following is a summary of current United Kingdom tax law and the generally published practice of H.M. Revenue & Customs and is not intended to be exhaustive. The summary is based on the assumption that the Issuer is neither resident nor acting through a permanent establishment in the United Kingdom for United Kingdom tax purposes. The summary relates only to the position of persons who are the absolute beneficial owners of their Notes and may not apply to certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer. Any Noteholders who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisers.

Payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax unless such interest is regarded as having a United Kingdom "source" for United Kingdom tax purposes. In the case of interest on Notes which is regarded as having a United Kingdom source, payments of interest on the Notes may nonetheless be made without deduction of or withholding on account of United Kingdom income tax *provided* that the Notes continue to be listed on a "recognised stock exchange" within the meaning of Section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Irish Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax. If the Notes cease to be so listed, another exemption from that tax (including under any applicable double taxation treaty) may, depending on the circumstances, be available.

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder, or who either pays amounts payable on the redemption of Notes to or receives such amounts for the benefit of another person. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

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:

(a) Payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Notes, nor will gains derived from the disposal of the Notes 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.

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

The Issuer has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has applied for and expects to obtain an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law
2011 Revision
Undertaking as to Tax Concessions

In accordance with the provision of Section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with Oryza 1 CLO Limited (the "**Company**").

(a) 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

(b) 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:

  (i) On or in respect of the shares, debentures or other obligations of the Company; or

  (ii) by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

(c) These concessions shall be for a period of twenty years from the date of issue of this undertaking.

EU Savings Directive

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

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

CERTAIN ERISA AND OTHER CONSIDERATIONS

General

The United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") imposes fiduciary standards and certain other requirements on employee benefit plans subject thereto (collectively, "**ERISA Plans**"), including collective investment funds, separate accounts, and other entities or accounts whose underlying assets are treated as assets of such plans pursuant to the U.S. Department of Labor "plan assets" regulation, 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Assets Provisions**") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the Plan. The prudence of a particular investment will be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed in "*Risk Factors*" and the fact that in the future there may be no market in which the fiduciary will be able to sell or otherwise dispose of the Notes.

In addition, Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code (together with ERISA Plans, "**Plans**")) and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption applies to the transaction. In particular, a sale or exchange of property or an extension of credit between a Plan and a "party in interest" or "disqualified person" may constitute a prohibited transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes or other liabilities under ERISA and the Code.

Each purchaser of a Note (or any interest in a Note) will be deemed to have represented and agreed that either (a) it is not a Benefit Plan Investor or a governmental plan, foreign plan or church plan subject to any federal, state, foreign or local law that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code or (b) it is a governmental plan, foreign plan or church plan and its purchase, holding and disposition of the Notes will not constitute or result in a non-exempt prohibited transaction or another violation of any federal, state, foreign or local law that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code. The term "benefit plan investor" includes (a) an employee benefit plan as defined in Section 3(3) of ERISA, that is subject to the provisions of Title I of ERISA, (b) a plan subject to Section 4975 of the Code, (c) an entity whose underlying assets include plan assets by reason of any such employee benefit plan or plans' investment in such entity, including but not limited to an insurance company acting on behalf of its general account, an insurance company separate account and a collective investment fund or (d) an entity that otherwise constitutes a "benefit plan investor" within the meaning of the Plan Assets Provisions (the plans and entities described in clauses (a), (b), (c) and (d) above being referred to as "**Benefit Plan Investors**"). Any purported purchase of Notes by a purchaser or transfer of a Note (or any interest in a Note) to a transferee that does not comply with the foregoing shall be null and void *ab initio* and the Issuer may require such purchaser or transferee (as applicable) to sell their beneficial interest in the Note and, if such holder fails to do so within 30 days thereof, the Issuer may sell such interest in the Note on behalf of the holder.

The sale of any Notes (or an interest in a Note) to an employee benefit plan other than a Benefit Plan Investor is in no respect a representation by the Issuer or the Lead Manager or any other party to this transaction that such an investment meets all relevant legal requirements with respect to investments by such plans generally or any particular plan, or that such an investment is appropriate for such plans generally or any particular plan.

Any employee benefit plan which is not a Benefit Plan Investor and which proposes to invest in the Notes should consult with its counsel to confirm that such investment will not result in a prohibited transaction that is not subject to an exemption under applicable law and will satisfy any additional federal, state, local or non-U.S. requirements applicable to such employee benefit plan.

SUBSCRIPTION AND SALE

The following description consists of summaries of certain provisions of the Subscription Agreement to be entered into on the Closing Date and is qualified by reference to the provisions of the Subscription Agreement. The following summary does not purport to be complete and prospective investors must refer to the Subscription Agreement for detailed information.

Pursuant to the Subscription Agreement dated on or about 21 June 2012, Standard Chartered Bank (the "**Lead Manager**") will purchase the Notes from the Issuer at an issue price of 100 per cent. of the Initial Principal Balance. Accordingly, on the Closing Date beneficial interests in the Global Note Certificate will be transferred (in the book entry systems of the Common Depositary) to the order of the Lead Manager against payment of the issue price in immediately available funds.

General

The Lead Manager acknowledges that no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Accordingly, the Lead Manager undertakes to the Issuer that it will, to the best of its knowledge, comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes such offering material, in all cases at its own expense.

In connection with the issue of the Notes, Standard Chartered Bank (the "**Stabilisation Manager**") (or persons acting on its behalf) may over-allot Notes (*provided* that the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the 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 Stabilisation Manager (or persons acting on its behalf) 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 Notes 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 Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment shall be conducted by the Stabilisation Manager (or persons acting on its behalf) in accordance with all applicable laws and rules.

United States

The Lead Manager has acknowledged that the Notes have not been and will not be registered under the Securities Act or the state securities laws of any state of the United States or the securities laws of any other jurisdiction.

The Lead Manager has acknowledged and agreed that it will offer and sell the Regulation S Notes (a) (i) as part of its distribution at any time; and (ii) otherwise until 40 days after the Closing Date (the "**40-Day Distribution Compliance Period**"), only in accordance with Rule 903 of Regulation S or, pursuant to another exemption from the registration requirements under the Securities Act, and (b) it will send to each dealer or person receiving a selling concession, fee or other remuneration in respect of such Regulation S Notes that purchases Regulation S Notes from it in reliance on Regulation S a notice stating that such dealer or person receiving a selling concession, fee or other remuneration is subject to the same restrictions during the 40-Day Distribution Compliance Period.

The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the later of (A) the commencement of the offering of the Notes and (B) the Closing Date, except in either case in accordance with Regulation S under the Securities Act, an offer or sale of the Notes within United States by any dealer (whether or not participating in the offering of the Notes) may violate the registration requirements of the Securities Act.

The Lead Manager has acknowledged and agreed that neither it nor any persons acting on its behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Notes, and it has complied and will comply with the offering restrictions requirement of Regulation S.

Due to the restrictions set forth above in "*Purchase and Transfer Restrictions*", purchasers of the Notes in the United States are advised to consult legal counsel prior to making any offer for, resale, pledge or other transfer of the Notes.

Each purchaser of Notes offered hereby will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision. Purchasers are also deemed to have made the representations and agreements set out in "*Form of Notes*" and "*Purchase and Transfer Restrictions*".

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Lead Manager has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the

"**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Lead Manager for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

United Kingdom

The Lead Manager has represented, warranted and agreed that:

(a) 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 Financial Services and Markets Act 2000 (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

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Cayman Islands

The Lead Manager has represented, warranted and agreed that it has not, directly or indirectly, and will not, directly or indirectly, make any invitation to any member of the public in the Cayman Islands, within the meaning of Section 175 of the Companies Law (2011 Revision) of the Cayman Islands, to subscribe for any Notes and this Prospectus may not be issued or passed to any such person.

Hong Kong

The Lead Manager has represented, warranted and agreed that 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

The Lead Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, the Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase, nor will it offer or sell the Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed, nor will it circulate or distribute this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 274 of the SFA, (ii) to a relevant person under Section 275(1) of the SFA, or any person pursuant to Section 275(1A), 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 (as defined in Section 239(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 made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) pursuant to Section 276(7) of the SFA.

General

The Lead Manager has represented, warranted and agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will to its best knowledge and belief result in compliance with the applicable laws and regulations thereof.

Purchasers of the Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the purchase price of the Notes.

The Lead Manager has acknowledged that it is not authorised to make any representation or use any information in connection with the issue, purchase and sale of the Notes other than as contained in this Prospectus (including any amendment or supplement thereto authorised by the Issuer).

BOOK ENTRY CLEARANCE PROCEDURES

*The information set out below has been obtained from information published by the Clearing Systems (as defined herein) and the Issuer believes that such sources are reliable, but prospective investors are advised to make their own enquiries as to such procedures. The Issuer accepts responsibility for the accurate reproduction of such information from public information published by the Clearing Systems and as far as the Issuer is aware and are able to ascertain from information published by the Clearing Systems, no facts have been omitted which would render the reproduced information inaccurate or misleading. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Common Depositary, the Issuer, the Note Trustee, the Security Trustee, the Lead Manager, any Paying Agent or the Swap Counterparty (or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.*

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. See "*Settlement and Transfer of Notes*" below.

Euroclear and Clearstream, Luxembourg

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

Book-Entry Ownership

Euroclear and Clearstream, Luxembourg

Each Regulation S Global Note Certificate will have an ISIN and a Common Code and will be deposited with the Common Depositary as common depositary for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of the Common Depositary.

Payments and Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Note Certificate must look solely to Euroclear or Clearstream, Luxembourg for its share of each payment made by the Issuer to the holder of such Global Note Certificate and in relation to all other rights arising under the Global Note Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg.

The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Note Certificate, the depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note Certificate as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Note Certificate held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices.

Save as aforesaid, 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 Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note Certificate in respect of each amount so paid. None of the Common Depositary, the Issuer, the Note Trustee, the Security Trustee, any Paying Agent, the Swap Counterparty or the Corporate Services Provider will have any responsibility or liability for any

aspect of the records relating to or payments made on account of ownership interests in any Global Note Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note Certificate held within a Clearing System are exchanged for Individual Note Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional US dollar-denominated bonds.

GENERAL INFORMATION

Legal Proceedings

No legal, governmental or arbitration proceedings are pending or threatened against the Issuer, nor has the Issuer been involved with any legal, governmental or arbitration proceedings, which may have or have had since its incorporation a significant effect on its financial position.

Miscellaneous

Since the date of its incorporation, the Issuer has not commenced business (except for matters relating to the Transaction Documents). The Issuer does not, save as disclosed herein, have, as of the date of this Prospectus, any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, obligations under financial leases, hire purchase commitments, guarantees or other contingent liabilities. No share capital or loan capital of the Issuer is under option or is agreed conditionally or unconditionally to be put under option.

Authorisation

All authorisations, consents and approvals required to be obtained by the Issuer for, or in connection with, the creation and issue of the Notes, the performance by the Issuer of the obligations expressed to be undertaken by it and the distribution of this Prospectus have been obtained and are in full force and effect. The issue of the Notes has been authorised by resolutions of the board of directors of the Issuer passed on 20 June 2012.

Material Adverse Change

Since 1 June 2012, being the date of the Issuer's incorporation there has been no material adverse change, or any development reasonably likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer.

Currency

In this Prospectus, unless otherwise specified, references to "**USD**" and "**U.S. Dollar**" each means the lawful currency of the United States of America.

Security Codes

The Regulation S Notes have been accepted for clearance through Euroclear and Clearstream Luxembourg. The ISIN and Common Code for the Regulation S Notes are as set out in the following table:

Regulation S ISIN	Common Code
XS0795158251	079515825

Irish Stock Exchange Listing

This Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. The listing of the Notes will be cancelled if the Global Notes are not issued. The listing agent responsible for such listing is NCB Stockbrokers Limited.

Inspection of Documents and Availability of Information

For the life of the Notes:

(a) executed copies of the following documents will, when published, be available in physical form for inspection during usual business hours at the Specified Office of the Listing Agent in Ireland and at the registered office of the Issuer:

  (i) the Account Bank Agreement;

  (ii) the Administration and Cash Management Agreement;

  (iii) the Agency Agreement;

(iv) the Collateral Switch Agreement;

(v) the Corporate Services Agreement;

(vi) the Registered Office Agreement;

(vii) the Credit Default Swap (which will include as an Annexure the Reference Registry in effect on the Initial Portfolio Composition Date detailing the composition of the Reference Portfolio on such date);

(viii) the Note Trust Deed;

(ix) the Security Trust Deed; and

(x) the Subscription Agreement, and

(b) copies of the following documents will, when published, be available in electronic form free of charge, during usual business hours, at the Specified Office of the Listing Agent in Ireland and in the case of items (i) and (iii) below only at the registered office of the Issuer:

(i) the memorandum and articles of association of the Issuer;

(ii) the future published semi-annual unaudited interim financial statements, if any, and the annual audited financial statements of the Swap Counterparty in the English language; and

(iii) the Investors' Reports made available by the Administrator with respect to each Payment Date and the other information, notices and reports produced pursuant to the Credit Default Swap.

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