

## Base Prospectus

# Silverstate Financial Investments p.l.c.

(incorporated as a public limited company in Ireland with registered number 426060)

## €40,000,000 Programme for the issue of Notes

It is intended that Silverstate Financial Investments p.l.c. (the “**Issuer**”) from time to time may issue notes (the “**Notes**”) under the programme for the issue of Notes described herein (the “**Programme**”) subject to compliance with relevant laws, regulations and directives.

This document (this “**Base Prospectus**”) comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and relevant implementing measures in Ireland for the purpose of giving information with regard to the issue of Notes of the Issuer under the Programme during the period of twelve months after the date hereof.

The Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange p.l.c. (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 (the “**EEA**”).

Application has been made to the Irish Stock Exchange for such Notes to be admitted to the Official List and trading on its regulated market. No assurance can be given that such an application to admit the Notes to the Official List of the Irish Stock Exchange and to trading on its regulated market will be successful.

In addition, Notes may be issued pursuant to the Programme which are listed on another stock exchange and/or admitted to trading on another market (which may or may not be regulated) and/or unlisted and/or not admitted to trading on any market, in each case as specified in the relevant Final Terms or Series Offering Document.

The Notes may be issued on the terms set out in this Base Prospectus and in final terms entered into in connection therewith for the purposes of Article 5(4) of the Prospectus Directive (the “**Final Terms**”), the form of which is set out herein. Notes may also be issued under the Programme on terms set out in a separate prospectus or offering memorandum (each a “**Series Offering Document**”) relating to such Notes which incorporates by reference the whole or any part of this Base Prospectus. Any Series Offering Document may constitute a prospectus for the purposes of the Prospectus Directive and relevant implementing measures in Ireland and, in any such case, such fact will be stated in the relevant Series Offering Document. Any Series Offering Document which does not constitute a prospectus for such purposes may, following its initial issue and the issue of the Notes to which it relates, be restated and as so restated may constitute a prospectus for such purposes.

Copies of each set of Final Terms and each Series Offering Document will be available at the specified office set out below of the Issuer. In addition, a copy of each set of Final Terms or Series Offering Document, as applicable, in respect of a Series of Notes admitted to trading on the regulated market of the Irish Stock Exchange or the subject of a public offer within the EEA will be filed with the Central Bank.

The obligations of the Issuer under the Notes will be secured by, *inter alia*, the security interests in favour of the Trustee over the relevant assets of the Issuer described further herein, subject to and all as more fully described in “Terms and Conditions of the Notes - Security”. If the net proceeds of the enforcement of the security for the Notes are insufficient to meet in full the claims of all such secured parties (in accordance with the priorities described herein), none of the other assets of the Issuer (if any) will be available to meet the insufficiency and any outstanding liability of the Issuer shall be extinguished upon such enforcement regardless of any such insufficiency.

Payments of principal and interest in respect of the Notes will be made subject to withholding tax (if any) applicable to the Notes, without the Issuer being obliged to pay further amounts as a consequence.

The Notes will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of, and will not be guaranteed by, the Arranger, the Dealers, any Agent (as defined in *Terms and Conditions of the Notes* herein), the Portfolio Manager or the Trustee.

Notes may be issued in bearer form or in registered form. Notes may be issued in definitive form or may be held and cleared through Euroclear Bank S.A./N.V. of 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium (“**Euroclear**”) or Clearstream Banking, société anonyme of 42 Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg (“**Clearstream, Luxembourg**”) or any other clearing system as may be specified in the relevant Final Terms or Series Offering Document, as applicable.

The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms or Series Offering Document, as applicable, of each Tranche, based on the prevailing market conditions.

**Arranger and Dealer**

**KBC Bank NV**

The date of this Base Prospectus is 4 November 2016

## INTRODUCTION

Information in relation to the Issuer is set out on pages 39 to 41 of this Base Prospectus. Subject to the following sentence, the final terms of each Series of Notes of the Issuer (and related information) will be set out in Final Terms which should be read together with this Base Prospectus. Notes may also be issued under the Programme on terms set out in a separate prospectus or offering memorandum relating to such Notes (each a “**Series Offering Document**”) which incorporates by reference the whole or any part of this Base Prospectus. Any such Final Terms or Series Offering Document will be published by being made available as described in “General Information”. This Base Prospectus should be read and construed in conjunction with each relevant Final Terms and all other documents which are deemed to be incorporated by reference in the Base Prospectus. This Base Prospectus shall, save as specified herein and therein, be read and construed on the basis that such documents are so incorporated by reference and form part of this Base Prospectus.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. None of the Trustee, Agents, Arranger, Dealers or Portfolio Manager accepts any responsibility for the information contained in this Base Prospectus.

In addition, in the context of any offer of securities that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a “**Non-exempt Offer**”), the Issuer accepts responsibility, in each Member State for which it has given its consent referred to herein (each an “**Authorised Offer Jurisdiction**”), for the content of this Base Prospectus in relation to any person (an “**Investor**”) to whom an offer of any Notes is made by any financial intermediary to whom it has given its consent to use this Base Prospectus (an “**Authorised Offeror**”), where the offer is made during the period for which that consent is given and where the offer is made in the relevant Authorised Offer Jurisdiction for which that consent was given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, neither the Issuer, the Trustee, the Agents, Arranger, nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer. Any new information with respect to an Authorised Offeror unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms as the case may be, will be provided on the relevant Authorised Offeror’s website.

If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of this Base Prospectus in connection with a Non-exempt Offer of any relevant Notes during the Offer Period specified in the relevant Final Terms (the “**Offer Period**”) either (1) in the Member State(s) specified in the relevant Final Terms by any Dealer which is authorised to make such offers under the Markets in Financial Instruments Directive 2004/39/EC (“**MiFID**”) and which satisfies any conditions specified in the relevant Final Terms or (2) by the financial intermediaries, in the relevant Member State(s) and subject to the relevant conditions, in each case specified in the relevant Final Terms for so long as they are authorised to make such offers under MiFID.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

**Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Non-exempt Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Non-exempt Offer in accordance with the consent of the Issuer and the conditions attached thereto.**

To the extent specified in the relevant Final Terms a Non-exempt Offer may be made during the relevant Offer Period by the Dealers in any relevant Authorised Offer Jurisdiction and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

Other than as set out above, neither the Issuer nor any of the Dealers have authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or the Dealers and none of the Issuer or the Dealers has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the “**Terms and Conditions of the Non-exempt Offer**”). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information.

**In the event of an offer being made by an Authorised Offeror, the Authorised Offeror will provide information to investors on the terms and conditions of the offer on its website at the time the offer is made.**

This Base Prospectus has been prepared on the basis that, except to the extent to which sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area (an “**EEA State**”) which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any of the Dealers has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

No person has been authorised to give any information or to make any representations other than those contained in this Base Prospectus or which are incorporated by reference in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this document has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in

connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer at any time.

None of the Arranger, the Custodian, the Dealers, the Trustee, the Portfolio Manager or any Agent has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any of the Arranger, the Custodian, the Dealers, the Trustee, the Portfolio Manager or any Agent as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Notes. None of the Arranger, the Custodian, the Dealers, the Trustee, the Portfolio Manager or any Agent accept any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Notes.

**Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus. This Base Prospectus does not describe all of the risks of an investment in the Notes. The risk factors identified in this Base Prospectus are provided as general information only and the Dealers and the Arranger disclaim any responsibility to advise purchasers of Notes of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter. This Base Prospectus (and any other information supplied in connection with the Notes) is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer and of the tax, accounting and legal consequences of an investment in any of the Notes for such investor. Each prospective purchaser of any of the Notes, in connection with their primary distribution or otherwise, shall have such knowledge and experience in financial and business matters that it is capable of evaluating the merits, risks and suitability of investing in the Notes.**

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Dealers to subscribe for, or purchase, any Notes. The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus come are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain further restrictions on offers and sales of Notes and distribution of this Base Prospectus, see “*Subscription and Sale*”.

The information set forth herein, to the extent that it comprises a description of certain provisions of the documentation relating to the transactions described herein, is a summary and is not presented as a full statement of the provisions of such documentation. Such summaries are qualified by reference to and are subject to the provisions of such documentation.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “€” and “EUR” are to the Euro and “U.S.\$” and “USD” are to U.S. dollars.

**In connection with the issue of any Series of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms or Series Offering Document, as applicable, may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising**

**Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms or Series Offering Document, as applicable, of the offer of the relevant Series of 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 relevant Series of Notes and 60 days after the date of the allotment of the relevant Series of Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.**

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## SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as **Elements**. These elements are numbered in Sections A – E (A.1-E.7).

This Summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

### Section A – Introduction and Warnings

<b>A.1</b>	<b>Warning</b>	This summary should be read as an introduction to the Base Prospectus and Final Terms. Any decision to invest in the Notes should be based on consideration of the Base Prospectus and Final Terms as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus and Final Terms is brought before a court, the plaintiff investor might, under the national legislation of a Member State, have to bear the costs of translating the Base Prospectus and Final Terms before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus and Final Terms or it does not provide, when read together with the other parts of the Base Prospectus and Final Terms, key information in order to aid investors when considering whether to invest in the Notes.
<b>A.2</b>	<b>Consent by the issuer or person responsible for drawing up the prospectus to the use of the prospectus for subsequent resale or final placement of securities by financial intermediaries.</b>	<p>[Not applicable - the Issuer does not consent to the use of the Base Prospectus and Final Terms by any person in connection with any offer of Notes that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a “<b>Non-exempt Offer</b>”) in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a “<b>Relevant Member State</b>”).]</p> <p>[<i>Consent</i>: The Notes may be offered in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive (a “<b>Non-exempt Offer</b>”).]</p> <p>[Subject to the conditions set out below, the Issuer consents to the use of the Base Prospectus in connection with a Non-exempt Offer of Notes by the relevant Dealer, [and [<i>names of specific financial intermediaries listed in Final Terms</i>]] (each being an “<b>Authorised Offeror</b>” in respect of the relevant Non-Exempt Offer. Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Non-exempt Offer in the Authorised Offer jurisdiction specified in the Final Terms and which satisfies the conditions specified in the Final Terms is required, for the duration of the relevant Offer Period, to publish on its website that it is using the Base Prospectus for such Non-exempt Offer in accordance with the consent of the Issuer and the conditions attached thereto.]</p>

	<p>Indication of the offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use the prospectus is given</p>	<p>[Not applicable]</p> <p>[Offer period: The Issuer's consent referred to above is given for Non-Exempt Offers of Notes during <i>[offer period for the issue to be specified here]</i> (the “Offer Period”).</p>
	<p>Any other clear and objective conditions attached to the consent which are relevant for the use of the prospectus</p> <p>Notice in bold informing investors that information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary</p>	<p>[Not applicable.]</p> <p>[Conditions to consent: The conditions to the Issuer’s consent are that such consent (a) is only valid during the Offer Period; and (b) only extends to the use of the Base Prospectus to make Non-Exempt Offers of the Notes in <i>[specify each relevant Member State in which the particular Tranche of Notes can be offered]</i>.</p> <p>[Not applicable.]</p> <p>[AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.]</p>

#### Section B – Issuer

B.1	Legal and Commercial Name	Silverstate Financial Investments p.l.c.
B.2	Domicile/ Legal Form/ Legislation/	Silverstate Financial Investments p.l.c. (the “Issuer”) was incorporated in Ireland as a public company limited by shares under the Companies Acts 1963 to 2006 (now the



	<b>Country of Incorporation</b>	Companies Act 2014, as amended).
<b>B.16</b>	<b>Direct or indirect control of the Issuer</b>	The authorised share capital of the Issuer is EUR 40,000 divided into 40,000 ordinary shares of EUR1 each, all of which have been issued at par, are fully paid and are held, directly or through its nominees, by BNY Mellon Corporate Trustee Services Limited (in such capacity, the “ <b>Share Trustee</b> ”) under the terms of a trust established under Irish law by a declaration of trust dated 12 September 2006 and made by the Share Trustee for the benefit of such charities as the Share Trustee may determine from time to time at its discretion. The Share Trustee has no beneficial interest in and derives no benefit other than its fees for acting as trustee from holding such shares.
<b>B.17</b>	<b>Credit ratings assigned to the Issuer</b>	Not Applicable. Neither the Issuer nor the Notes have been assigned a credit rating by any credit rating agency, at the request, or with the cooperation, of the Issuer in the rating process.
<b>B.20</b>	<b>Special Purpose Vehicle</b>	The Issuer has been established as a special purpose vehicle for the purposes of issuing debt securities, including the Notes, under its EUR40,000,000,000 programme for the issuance of notes described in the Base Prospectus (the “ <b>Programme</b> ”).
<b>B.21</b>	<b>Principal activities and global overview of parties</b>	<p>The Issuer’s primary business is the raising of money by issuing notes for the purposes of purchasing financial assets and entering into related hedging agreements and other contracts. The Issuer maintains separate segregated portfolios of financial assets and contracts which are funded by its issuances of notes. As at the date of the Base Prospectus, it maintains two such portfolios, referred to as the General Short Portfolio, which is funded by notes referred to as Notes of a General Short Series, and the General Long Portfolio, which is funded by notes described as Notes of a General Long Series. Notes of all General Short Series are secured on the General Short Portfolio and serviced only by cashflows generated by assets comprised in the General Short Portfolio. Notes of all General Long Series are secured on the General Long Portfolio and serviced only by cashflows generated by assets comprised in the General Long Portfolio. The Issuer may also hold separate segregated portfolios, referred to as Specific Portfolios, which will be funded by notes described as Specific Series of Notes. Notes of a Specific Series will be secured on the relevant Specific Portfolio and serviced only by cashflows generated by the assets maintained in the relevant Specific Portfolio. As at the date of the Base Prospectus, the Issuer does not maintain any Specific Portfolios and has not issued any Specific Series of Notes.</p> <p>A number of other parties have roles in connection with the Programme:</p> <p>KBC Bank NV acts as the arranger in respect of the Programme.</p> <p>BNY Mellon Corporate Trustee Services Limited acts as trustee (the “<b>Trustee</b>”) for the holders of Notes pursuant to a master trust deed originally dated 21 September 2006 and most recently amended and restated on 28 September 2015 (the “<b>Master Trust Deed</b>” and as such Master Trust Deed may be supplemented from time to time, the “<b>Trust Deed</b>”).</p> <p>KBC Asset Management NV acts as portfolio manager (the “<b>Portfolio Manager</b>”) pursuant to a portfolio management agreement (the “<b>Portfolio Management Agreement</b>”) and administration agent (the “<b>Administration Agent</b>”) pursuant to an agency agreement (the “<b>Agency Agreement</b>”) on behalf of the Issuer and is</p>

		responsible for managing and servicing the Portfolios.																																																																																											
		KBC Bank NV acts as custodian on behalf of the Issuer. In such capacity, KBC Bank NV holds securities and cash comprised in the Portfolios on behalf of the Issuer.																																																																																											
		Pursuant to the Agency Agreement, The Bank of New York Mellon acts as principal paying agent, calculation agent (the “ <b>Calculation Agent</b> ”), transfer agent and registrar on behalf of the Issuer in respect of the Notes.																																																																																											
B.22	No financial statements	Not Applicable – as the Issuer has commenced operations and prepared financial statements since incorporation.																																																																																											
B.23	Key historical information	<table><thead><tr><th></th><th>As at 30/04/2015 €</th><th>As at 30/04/2016 €</th></tr></thead><tbody><tr><td colspan="3"><b>Assets</b></td></tr><tr><td colspan="3"><b>Non-current assets</b></td></tr><tr><td>Financial assets designated at fair value through profit or loss</td><td>478,936,301</td><td>403,563,766</td></tr><tr><td>Derivatives held for trading</td><td>2,350,140</td><td>1,562,208</td></tr><tr><td colspan="3"><b>Current assets</b></td></tr><tr><td>Cash and cash equivalents</td><td>12,903,537</td><td>7,098,001</td></tr><tr><td>Amount receivable from broker</td><td>14,684,189</td><td>796</td></tr><tr><td>Interest receivable on investments</td><td>6,443,972</td><td>5,583,593</td></tr><tr><td>Bond lending fee income receivable</td><td>21,987</td><td>38,321</td></tr><tr><td>Financial assets designated at fair value through profit or loss</td><td>99,802,140</td><td>61,331,621</td></tr><tr><td>Derivatives held for trading</td><td>596,079</td><td>13,670</td></tr><tr><td><b>Total assets</b></td><td><b>615,738,345</b></td><td><b>479,192,476</b></td></tr><tr><td colspan="3"><b>Liabilities</b></td></tr><tr><td colspan="3"><b>Current liabilities</b></td></tr><tr><td>Amounts payable to broker</td><td>14,740,299</td><td>-</td></tr><tr><td>Interest payable on notes issued</td><td>494,583</td><td>478,568</td></tr><tr><td>Expense accruals</td><td>15,299</td><td>25,121</td></tr><tr><td>Taxation payable</td><td>250</td><td>250</td></tr><tr><td>Financial liabilities designated at fair value through profit or loss</td><td>-</td><td>-</td></tr><tr><td>Derivatives held for trading</td><td>1,833,757</td><td>1,429,285</td></tr><tr><td colspan="3"><b>Non-current liabilities</b></td></tr><tr><td>Financial liabilities designated at fair value through profit or loss</td><td>560,433,841</td><td>447,158,181</td></tr><tr><td>Derivatives held for trading</td><td>38,178,285</td><td>30,059,040</td></tr><tr><td><b>Total liabilities</b></td><td><b>615,696,314</b></td><td><b>479,150,445</b></td></tr><tr><td colspan="3"><b>Equity</b></td></tr><tr><td>Called up share capital</td><td>40,000</td><td>40,000</td></tr><tr><td>Profit and loss account</td><td>2,031</td><td>2,031</td></tr><tr><td><b>Total equity</b></td><td><b>42,031</b></td><td><b>42,031</b></td></tr><tr><td><b>Total liabilities and equity</b></td><td><b>615,738,345</b></td><td><b>479,192,476</b></td></tr></tbody></table>			As at 30/04/2015 €	As at 30/04/2016 €	<b>Assets</b>			<b>Non-current assets</b>			Financial assets designated at fair value through profit or loss	478,936,301	403,563,766	Derivatives held for trading	2,350,140	1,562,208	<b>Current assets</b>			Cash and cash equivalents	12,903,537	7,098,001	Amount receivable from broker	14,684,189	796	Interest receivable on investments	6,443,972	5,583,593	Bond lending fee income receivable	21,987	38,321	Financial assets designated at fair value through profit or loss	99,802,140	61,331,621	Derivatives held for trading	596,079	13,670	<b>Total assets</b>	<b>615,738,345</b>	<b>479,192,476</b>	<b>Liabilities</b>			<b>Current liabilities</b>			Amounts payable to broker	14,740,299	-	Interest payable on notes issued	494,583	478,568	Expense accruals	15,299	25,121	Taxation payable	250	250	Financial liabilities designated at fair value through profit or loss	-	-	Derivatives held for trading	1,833,757	1,429,285	<b>Non-current liabilities</b>			Financial liabilities designated at fair value through profit or loss	560,433,841	447,158,181	Derivatives held for trading	38,178,285	30,059,040	<b>Total liabilities</b>	<b>615,696,314</b>	<b>479,150,445</b>	<b>Equity</b>			Called up share capital	40,000	40,000	Profit and loss account	2,031	2,031	<b>Total equity</b>	<b>42,031</b>	<b>42,031</b>	<b>Total liabilities and equity</b>	<b>615,738,345</b>	<b>479,192,476</b>
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B.24	Material adverse change	There has been no material adverse change in the prospects of the Issuer since the date of its last audited financial statements.
B.25	Description of underlying assets	<p>The Issuer will invest the net proceeds of the issue of the Notes in one or more of the following, each as selected by the Portfolio Manager (each a “<b>General Eligible Asset</b>”):</p> <ul style="list-style-type: none"> <li>• cash, term deposits and structured deposits held with an Eligible Financial Institution (being any financial institution subject to prudential rules applicable to financial institutions having their registered offices in the European Economic Area, or equivalent prudential rules);</li> <li>• Eligible Debt Securities being (i) commercial paper, certificates of deposit and/or debt securities, having, at the time the relevant asset (or any part thereof), a remaining maturity of one-year or less (Eligible Short Term Debt Securities) or (ii) debt securities, having, at the time the relevant asset (or any part thereof), a remaining maturity greater than one year (Eligible Long Term Debt Securities);</li> <li>• a financial derivative contract, listed or OTC, with an Eligible Financial Institution.</li> </ul> <p>The Issuer may, at the Portfolio Manager’s direction, enter into (i) any sale and repurchase (repo) or reverse sale and repurchase (reverse repo) transaction in respect of any Eligible Debt Securities or (ii) any buy/sell back transaction in respect of any Eligible Debt Securities.</p> <p><b>Issue specific summary:</b></p> <p><i>[If the Notes are of a General Short Series insert:</i> The General Eligible Assets acquired by the Issuer from time to time with the proceeds of the issue of General Short Series of Notes (including the Notes) together with such further General Eligible Assets as are acquired by the Issuer from time to time with the proceeds of disposal or redemption of such General Eligible Assets, or acquired with the proceeds of distributions received by the Issuer from such General Eligible Assets held by it, or otherwise derived from such General Eligible Assets held by it are referred to herein as the “<b>General Short Portfolio</b>”.]</p> <p><i>[If the Notes are of a General Long Series insert:</i> The General Eligible Assets acquired by the Issuer from time to time with the proceeds of the issue of General Long Series of Notes (including the Notes) together with such further General Eligible Assets as are acquired by the Issuer from time to time with the proceeds of disposal or redemption of such General Eligible Assets, or acquired with the proceeds of distributions received by the Issuer from such General Eligible Assets held by it, or otherwise derived from such General Eligible Assets held by it are referred to herein as the “<b>General Long Portfolio</b>”).]</p> <p><i>[If the Notes are of a Specific Series insert:</i> The Issuer must invest the net proceeds of each issue of a Specific Series of Notes (including the Notes) in one or more of the following (each a “<b>Specific Eligible Asset</b>”): securities (including shares, bonds and units in collective investment undertakings (including, but not limited to, UCITS within the meaning of Directive 2009/65/EC)), deposits, money market instruments, derivative transactions and any other qualifying asset within the meaning of section</p>

		<p>110 of the Taxes Consolidation Act 1997, which are (i) obligations of an entity organised under the laws of any European Economic Area member state, any OECD member state, Jersey, Cayman Islands or Bermuda and (ii) which in each case have a scheduled maturity not later than fifteen years following the scheduled maturity of the related Specific Series of Notes.</p> <p>The Specific Eligible Assets acquired by the Issuer with the proceeds of the issue of a Specific Series of Notes (and any replacement Specific Eligible Assets) are referred to collectively as a “<b>Specific Portfolio</b>”.]</p> <p>The Issuer may from time to time enter into swap and/or other derivative transactions which will relate only to the Notes of one or more General Short Series (“<b>General Short Swap Agreements</b>”) or to the Notes of one or more General Long Series (“<b>General Long Swap Agreements</b>” and together with General Short Swap Agreements, “<b>General Swap Agreements</b>”) or to the Notes of a Specific Series (“<b>Specific Swap Agreements</b>” and together with the General Swap Agreements, the “<b>Swap Agreements</b>”).</p> <p>The assets backing any issue have characteristics that demonstrate the capacity to produce funds to service any payments due and payable under the Notes.</p>
B.26	<b>Investment Management</b>	<p>KBC Asset Management NV, in its capacity as Portfolio Manager is responsible for managing the Portfolios on behalf of the Issuer, including executing the acquisition and disposal of Eligible Assets subject to compliance with the applicable provisions of the Trust Deed and the investment restrictions set out in the Portfolio Management Agreement.</p> <p>The Portfolios held by the Issuer are administered on behalf of the Issuer by KBC Asset Management NV in its capacity as Administration Agent pursuant to the Agency Agreement.</p> <p>For further information, see B.25 above.</p>
B.27	<b>Further issuances backed by same pool of assets</b>	<p><i>Issue specific summary:</i></p> <p>[If the Notes are of a General Short Series insert: All General Short Series of Notes (ie those issued prior to the Issue Date of the Notes and those which will be issued in future) will be secured on (and only on) and serviced by (and only by) cashflows generated by the General Short Portfolio.]</p> <p>[If the Notes are of a General Long Series insert: All General Long Series of Notes (ie those issued prior to the Issue Date of the Notes and those which will be issued in future) will be secured on (and only on) and serviced by (and only by) cashflows generated by the General Long Portfolio.]</p> <p>[If the Notes are of a Specific Series insert: The Notes will be secured on (and only on) and serviced by (and only by) cashflows generated by the relevant Specific Portfolio.]</p>

B.28	<b>Structure of the Transaction</b>	<p>The Issuer may from time to time issue Series of Notes under the Programme.</p> <p>The net proceeds of each issue of Notes will be used by the Issuer in acquiring Eligible Assets and/or making an initial payment under a related Swap Agreement, if applicable. The relevant Eligible Asset and, if applicable, Swap Agreement will be held by the Issuer in the relevant Portfolio (being the General Short Portfolio in the case of Eligible Assets or a Swap Agreement funded by a General Short Series, the General Long Portfolio in the case of Eligible Assets or a Swap Agreement funded by a General Long Series, or a Specific Portfolio in the case of Eligible Assets or a Swap Agreement funded by a Specific Series).</p> <p>The obligations of the Issuer under the Notes will be secured on the relevant Portfolio.</p> <p>The Issuer will use the scheduled payments it receives in respect of Eligible Assets comprising the relevant Portfolio to meet its obligations under the Notes secured on that Portfolio.</p> <p>If applicable, each Note bears interest on its principal amount from the date of issue at a specified rate or rates or at a rate which may be based on a benchmark rate on each relevant interest payment date. The Issuer may issue Notes which do not bear interest.</p> <p>The basis for calculating the redemption amounts payable in respect of each issue of Notes may be par or as otherwise provided in the relevant Final Terms or Series Offering Document, as applicable.</p>
B.29	<b>Description of the flow of funds</b>	<p>The net proceeds of each issue of a Series of Notes will be used by the Issuer in acquiring Eligible Assets and/or making an initial payment under a related Swap Agreement, if applicable.</p> <p><b>Issue specific summary:</b></p> <p><i>[If the Notes are of a General Short Series insert:</i> The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of scheduled payments in respect of Eligible Assets and Swap Agreements comprising the General Short Portfolio.]</p> <p><i>[If the Notes are of a General Long Series insert:</i> The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of scheduled payments in respect of Eligible Assets and Swap Agreements comprising the General Long Portfolio.]</p> <p><i>[If the Notes are of a Specific Series insert:</i> The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of scheduled payments in respect of Eligible Assets and Swap Agreements comprising the relevant Specific Portfolio.]</p>
B.30	<b>Originators of securitised assets</b>	See B.25 above

## Section C - Securities

C.1	Type and class of securities	<p><i>Issue specific summary:</i></p> <p>The Notes are a [<b>“General Short”</b>]/[<b>“General Long”</b>] Series of Notes, which designation indicates the Portfolio of the Issuer on which the Notes is secured and from which the Notes will be serviced.</p> <p>The Notes are [Senior]/[Class A Mezzanine]/[Class B Mezzanine]/[Class C Mezzanine]/[Class D Mezzanine]/[Class E Mezzanine]/[Class F Mezzanine]/[Class G Mezzanine]/[Class H Mezzanine]/[Subordinated] ranking Notes.</p> <p>The series number is [ • ]. The tranche number is [ • ].</p> <p>International Securities Identification Number (ISIN): [ • ]</p> <p>Common Code: [ • ]</p>
C.2	Currency of issue	[To be specified in issue specific summary]
C.5	Restrictions on transferability	<p>The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “<b>Securities Act</b>”) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to a United States person.</p> <p>Certain restrictions also exist on offers, sales and deliveries of the Notes in the European Economic Area, the United Kingdom and Ireland.</p> <p>Each Dealer has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries.</p>
C.8	Rights attaching to the Securities, including ranking and limitation to those rights	<p><i>Security</i></p> <p>The Notes are secured, limited recourse obligations of the Issuer.</p> <p><i>Issue specific summary:</i></p> <p>[If the Notes are of a General Short Series insert: The Notes, together with the Notes of all General Short Series are secured on the assets and the cashflows generated by the assets, comprised in the General Short Portfolio.</p> <p>All assets held in the General Short Portfolio and any securities accounts and cash accounts in respect of the General Short Portfolio are charged or pledged in favour of the Trustee for the benefit of the Noteholders and the holders of Notes of other General</p>

		<p>Short Series.]</p> <p><i>[If the Notes are of a General Long Series insert:</i> The Notes, together with the Notes of all General Long Series are secured on the assets and the cashflows generated by the assets, comprised in the General Long Portfolio.</p> <p>All assets held in the General Long Portfolio and any securities accounts and cash accounts in respect of the General Long Portfolio are charged or pledged in favour of the Trustee for the benefit of the Noteholders and the holders of Notes of other General Long Series.]</p> <p><i>[If the Notes are of a Specific Series insert:</i> The Notes are secured on the assets and the cashflows generated by the assets, comprised in the relevant Specific Portfolio.</p> <p>All assets held in the relevant Specific Portfolio and any securities accounts and cash accounts in respect of the relevant Specific Portfolio are charged or pledged in favour of the Trustee for the benefit of the Noteholders.]</p> <p><i>Status</i></p> <p><i>[If the Notes are Senior Notes of a General Short Series insert:</i> The Notes rank pari passu without any preference among themselves and the Notes of each other General Short Series and senior to any Mezzanine Notes and Subordinated Notes of any General Short Series.]</p> <p><i>[If the Notes are Mezzanine Notes of a General Short Series insert:</i> The Notes rank pari passu and without any preference among themselves and subordinate to any Senior Notes of any General Short Series. Each sub-class of Mezzanine Notes of a General Short Series ranks in order of priority amongst Mezzanine Notes of any other sub-class of a General Short Series according to the alphabetical designation of such sub-class, with Class A Mezzanine Notes ranking highest in order of priority). The Notes rank senior to any Subordinated Notes of any General Short Series.]</p> <p><i>[If the Notes are Subordinated Notes of a General Short Series insert:</i> The Notes rank pari passu without any preference among themselves and subordinate to any Senior Notes and any Mezzanine Notes of any General Short Series.]</p> <p><i>[If the Notes are Senior Notes of a General Long Series insert:</i> The Notes rank pari passu without any preference among themselves and the Notes of each other General Long Series and senior to any Mezzanine Notes and Subordinated Notes of any General Long Series.]</p> <p><i>[If the Notes are Mezzanine Notes of a General Long Series insert:</i> The Notes rank pari passu and without any preference among themselves and subordinate to any Senior Notes of any General Long Series. Each sub-class of Mezzanine Notes of a General Long Series ranks in order of priority amongst Mezzanine Notes of any other sub-class of a General Long Series according to the alphabetical designation of such sub-class, with Class A Mezzanine Notes ranking highest in order of priority). The Notes rank senior to any Subordinated Notes of any General Long Series.]</p> <p><i>[If the Notes are Subordinated Notes of a General Long Series insert:</i> The Notes rank pari passu without any preference among themselves and subordinate to any Senior Notes</p>
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	<b>Maturity date and arrangements for the amortisation of the loan, including the repayment procedure</b>	<p>The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.</p> <p><i>Issue specific summary:</i></p> <p>[Unless previously redeemed or cancelled, each Note will be redeemed on <i>[Insert relevant Maturity Date]</i> [, subject to adjustment for non-business days] at [par/[ • ] per cent. of its nominal amount].</p> <p><i>[Where Optional Maturity Date Extension is applicable insert:</i> The Maturity Date may at the option of the Issuer (subject to notice being given to the Noteholders by the Issuer) be postponed to the then next following anniversary of the Maturity Date specified in the Final Terms, which postponement may be repeated on any number of occasions.]</p> <p><i>[Where Automatic Maturity Date Extension is applicable insert:</i> The Maturity Date will be postponed to the then next following anniversary of the date specified in the Final Terms as the Maturity Date, which postponement will be repeated annually until the Issuer, in its absolute discretion, by giving notice to the Noteholders, causes the Maturity Date to fall on either the date specified in the Final Terms as the Maturity Date or the then next following anniversary of that date, as applicable.]</p> <p><i>[Where Call Option is applicable insert:</i> The Notes may be redeemed early at the option of the Issuer on <i>[specify Issuer's Optional Redemption Date(s)]</i> if the Issuer gives the Noteholders not less than 5 business days' notice at any time [prior to/during] <i>[specify Issuer's Option Period]</i>. Notes so redeemed will be redeemed at the Optional Redemption Amount.]</p> <p><i>[Where Put Option is applicable insert:</i> The Notes may be redeemed early at the option of the Noteholders on <i>[specify Noteholders' Optional Redemption Date(s)]</i> if the Noteholders give the Issuer not less than 15 business days' notice. Notes so redeemed will be redeemed at the Optional Redemption Amount.]</p> <p><i>[Where either Call Option or Put Option is applicable insert:</i> The Optional Redemption Amount will be determined in accordance with a formula set forth in the Conditions.]</p> <p>In addition, the Notes will be redeemed early at their Early Redemption Amount if the Notes or any arrangements made to hedge the Issuer's position under the Notes (including, for the avoidance of doubt, purchasing or holding any Eligible Assets acquired with the proceeds of issue of the Notes) have or will become unlawful. The Early Redemption Amount of the Notes is [ • ].</p>
	<b>An indication of yield</b>	[[ • ] per cent per annum. / Not applicable]
	<b>Name of representative of debt security holders</b>	BNY Mellon Corporate Trustee Services Limited

C.10	<b>Derivative component of the interest payment</b>	Not Applicable
C.11.	<b>Application for listing and admission to trading</b>	<p>Notes may be listed and admitted to trading on the Irish Stock Exchange's regulated market or such other stock exchange or market specified below, or may be issued on an unlisted basis.</p> <p><i>Issue specific summary:</i></p> <p>[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.]</p> <p>[Application [has been/ will be] made for the Notes to be admitted to [listing/trading] on [ • ].]</p> <p>[Not applicable, the Notes are not intended to be admitted to trading on any market.]</p>
C.12	<b>Minimum denomination</b>	[ • ].
C.21	<b>Market where securities traded</b>	See C.11 above

#### Section D – Risks

D.2.	<b>Key information on the key risks that are specific to the Issuer</b>	<p><b>The Issuer is a Special Purpose Vehicle</b></p> <p>The Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of each Series of Notes or entry into of other obligations from time to time (and any related profits and the proceeds of any deposits and investments made from such fees) and any assets on which Notes or other obligations are secured.</p> <p><b>Preferred Creditors under Irish Law</b></p> <p>Under Irish law, upon an insolvency or examinership of an Irish company such as the Issuer when applying the proceeds of assets subject to fixed security which have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security.</p>
D.3	<b>Key information on the key risks that are specific to the securities</b>	<p><b>Limited Recourse</b></p> <p>The holders of the Notes shall have no recourse to the Issuer beyond the moneys derived by or on behalf of the Issuer in respect of the [General Short Charged Assets]/[General Long Charged Assets]/[Specific Charged Assets]. Any shortfall on realisation of the security shall be borne by the Noteholders.</p> <p>Further, the Trustee and the Noteholders will not be entitled at any time to petition or take any other step for the winding-up of, or the appointment of an examiner to, the Issuer. No person other than the Issuer will be obliged to make payments on the Notes.</p>

		<p><b>Early Redemption for Tax or Legal Reasons</b></p> <p>The Issuer may for specified legal reasons upon giving notice to Noteholders, redeem all Notes earlier than the Maturity Date.</p> <p><b>No Tax Gross-Up</b></p> <p>Payments on the Notes will be made subject to withholding tax (if any) applicable to the Notes, without the Issuer being obliged to pay additional amounts in respect of the Notes as a result thereof.</p> <p><b>Market, Liquidity and Yield Considerations</b></p> <p>Notes will not have an established trading market when issued. There can be no assurance of a secondary market for any Notes or the liquidity of such market if one develops.</p> <p><b>Performance of Notes Directly Related to Performance of the Portfolio</b></p> <p>The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of scheduled payments in respect of Eligible Assets comprising the [General Short Portfolio]/[General Long Portfolio]/[Specific Portfolio].</p> <p><b>Nature of the Portfolio</b></p> <p>The [General Short Portfolio]/[General Long Portfolio]/[Specific Portfolio] is subject to credit, liquidity and interest rate risks, general economic conditions, operational risks, structural risks, the condition of financial markets, political events, developments or trends in any particular industry, changes in prevailing interest rates and periods of adverse performance.</p>
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#### Section E – Offer

E.2b	<b>Reasons for offer and use of proceeds when different from making profit and/or hedging certain risks</b>	<p>The net proceeds of the issue of the Notes will be used by the Issuer in acquiring Eligible Assets and/or making an initial payment under a related Swap Agreement, if applicable.</p>
E.3	<b>Terms and Conditions of offer</b>	<p>[Not applicable. The Notes are not the subject of a Non-exempt Offer]</p> <p>[The Notes are the subject of a Non-exempt Offer, the terms and conditions of which are further detailed as set out below and in the applicable Final Terms.]</p> <p>[A Non-exempt Offer of the Notes may be made in [ • ] (the “Offer”) during the period from (and including) [ • ] to (and including) [ • ]. [Such period may be lengthened or shortened at the option of the Issuer.] [The Issuer reserves the right to cancel the Offer.]</p> <p>[The issue price of the Notes is [ • ] per cent of their nominal amount.]</p>

		[The offer price of the Notes is [ • ] per cent of their nominal amount.]
<b>E.4</b>	<b>Interests material to the issue/offer, including conflicting interests</b>	<p>Interests material to the issue/offer of Notes will arise principally as a result of the ordinary business activities of the Dealers and their affiliates, in the course of which they may make, hold and actively trade investments that may involve securities and/or instruments of the Issuer or the Issuer's affiliates, including the Notes, and may hedge their credit exposure to the Issuer. Such hedging may include the purchase of credit default swaps or the creation of short positions in securities of the Issuer or the Issuer's affiliates, including potentially the Notes.</p> <p>The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities.</p> <p><i>Issue specific summary:</i></p> <p>[The Dealer will be paid [ • ] as fees in relation to the issue of the Notes.]</p> <p>[Other than as mentioned above, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]</p>
<b>E.7</b>	<b>Expenses charged to the investor</b>	<p>[No expenses will be charged to the investors by the Issuer.]</p> <p>[There is no Non-exempt Offer of Notes and therefore no Authorised Offeror.]</p> <p>[No expenses are being charged to an investor by an Authorised Offeror] [except as follows: <i>insert details</i>]</p>

## RISK FACTORS

### **General**

*The following is a summary and is not intended to be an exhaustive description of all of the risks and investment considerations relevant to an investment in any Notes. Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. In particular, investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. The following investment considerations, alone or collectively, may reduce the return on the Notes and could result in the loss of all or a portion of a Noteholder's investment in the Notes. Each prospective purchaser of Notes is solely responsible for making its own independent appraisal of all such matters and such other matters as the prospective purchaser deems appropriate, in determining whether to purchase Notes and that an investment in the Notes is suitable for its investment purposes.*

### **Risks Relating to the Notes**

#### **Limited Recourse**

The Notes will be limited recourse obligations of the Issuer secured on the General Short Charged Assets (as defined in Condition 4A(a)) or, as applicable, the General Long Charged Assets (as defined in Condition 4B(a)) or, as applicable, the relevant Specific Charged Assets (as defined in Condition 4C(a)) and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. The Issuer is a special purpose company established, *inter alia*, for the purpose of issuing the Notes. The holders of the Notes and Coupons shall have no recourse to the Issuer beyond the moneys derived by or on behalf of the Issuer in respect of the General Short Charged Assets or, as applicable, the General Long Charged Assets or, as applicable, the relevant Specific Charged Assets. Any shortfall on realisation of the security shall be borne by the Noteholders and the Couponholders.

Further, the Trustee and the Noteholders will not be entitled at any time to petition or take any other step for the winding-up of, or the appointment of an examiner to, the Issuer. No person other than the Issuer will be obliged to make payments on the Notes.

#### **Early Redemption for Tax or Legal Reasons**

The Issuer may for specified tax or legal reasons, as detailed in Condition 7(c), upon giving notice to Noteholders, redeem all Notes earlier than the Maturity Date.

#### **No Tax Gross-Up**

Payments on the Notes will be made subject to withholding tax (if any) applicable to the Notes, without the Issuer being obliged to pay additional amounts in respect of the Notes as a result thereof.

The Issuer will be entitled to pay an additional amount to Noteholders to compensate for any amount withheld for or on account of tax from payments on the Notes. If the Issuer does not elect to pay such an additional amount to Noteholders in the event that it is required to withhold an amount from a

payment to Noteholders for or on account of tax, the Issuer will be obliged to redeem the Notes on the next Interest Payment Date in accordance with Condition 7(c)(i).

### **Modification, Waivers and Substitution**

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, (but shall not be obliged to) agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default (each as defined in the Master Trust Deed (as defined in “*Terms and Conditions of the Notes*” below) shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer.

### **The Calculation Agent**

The Calculation Agent is required to calculate certain amounts in relation to the Notes. Noteholders may receive different distributions and/or payments as a result of roundings effected by the Calculation Agent.

### **Market, Liquidity and Yield Considerations**

Notes may not have an established trading market when issued. There can be no assurance of a secondary market for any Notes or the liquidity of such market if one develops. Consequently, investors may not be able to sell their Notes readily or at prices that will enable them to realize a yield comparable to that of similar instruments, if any, with a developed secondary market.

### **Legality of Purchase**

The Issuer does not have or assume responsibility for the lawfulness of a prospective purchaser's acquisition of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different) or the compliance by that prospective purchaser with any law, regulatory policy applicable to it. A prospective purchaser of Notes may not rely on the Issuer in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

### **Denomination**

Notes will be in such denominations as may be specified in the relevant Final Terms or Series Offering Document, as applicable, subject to a minimum denomination of €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

### **Priority of Claims**

The ranking of the relative claims of the Noteholders of each General Short Series and the other General Short Secured Parties over the General Short Charged Assets are set out in Condition 4A(b). The ranking of the relative claims of the Noteholders of each General Long Series and the other General Long Secured Parties over the General Long Charged Assets are set out in Condition 4B(b). The ranking of the relative claims of the Noteholders of each Specific Series and the other Specific Secured Parties with respect to such Specific Series are set out in Condition 4C(b), but it should be noted that this order of priority of claims may be changed with respect to a Specific Series in the relevant Supplemental Trust Deed relating to such Specific Series.

## ***Risks Relating to the Issuer***

### **The Issuer is a Special Purpose Vehicle**

The Issuer's primary business is the raising of money by issuing Notes for the purposes of purchasing financial assets and entering into related derivatives and other contracts. The Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of each Series of Notes or entry into other obligations from time to time (and any related profits and the proceeds of any deposits and investments made from such fees) and any assets on which Notes or other obligations are secured.

### **No Regulation of the Issuer by any Regulatory Authority**

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

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

### **Fixed/Floating Security**

Under Irish law, for a charge to be characterised as a fixed charge, it must be expressed to be such and the charge holder must be entitled to and must in practice exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. A security interest expressed to be of a fixed nature may be recharacterised as floating by an Irish court if the court determines that all of the above features are not present throughout the life of the arrangements.

The security granted by the Issuer over the General Short Charged Assets and over the General Long Charged Assets in favour of the Trustee pursuant to the Master Trust Deed is in each case expressed to be of a fixed nature. In addition, certain of the security which may be granted by the Issuer over any Specific Charged Assets in favour of the Trustee pursuant to the relevant Trust Deed (as defined in "*Terms and Conditions of the Notes*" below) may be expressed to be of a fixed nature. However, in the case of any security which is expressed to be of a fixed nature, there can be no assurance that a court would not nevertheless recharacterise such security as floating. The priority of the holder of floating security is more vulnerable than that of the holder of fixed security in certain circumstances. See further "*Preferred creditors under Irish law*" below.

### **Preferred Creditors under Irish Law**

Under Irish law, upon an insolvency or examinership of an Irish company such as the Issuer when applying the proceeds of assets subject to fixed security which have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which includes any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts.

The interest of secured creditors in property and assets of an Irish company over which there is a floating charge only will rank behind the claims of certain preferential creditors on enforcement of such security. Preferential creditors include the Irish Revenue Commissioners, statutory redundancy

payments due to employees (including where those employees have been made redundant as a result of the liquidation of the borrower) and money due to be paid by the Irish company in respect of employers contributions under any pension scheme.

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company. Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of an Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

### **Examinership**

Examinership is a court moratorium/protection procedure available under Irish company law. An examiner may be appointed to a company which is likely to be insolvent if the court is satisfied that there is a reasonable prospect of the survival of the company and all or part of its undertaking as a going concern. During the examinership period (70 days, or longer in certain circumstances) the company is protected from most forms of enforcement procedure and the rights of its secured creditors are largely suspended. Accordingly, if an examiner is appointed to the Issuer, the Trustee would be precluded from enforcing the security over any General Short Charged Assets or, as the case may be, General Long Charged Assets or, as the case may be, Specific Charged Assets during the period of the examinership. An examiner has various powers during the examinership period, including power to deal with charged property of the company, repudiate certain contracts, and incur borrowing costs and other expenses some of which will take priority over rights of secured creditors. If the examiner concludes that it would facilitate the survival of the company as a going concern, he must formulate proposals for a compromise or scheme of arrangement in relation to the company. The members and creditors of the company will have an opportunity to consider any such proposals, and the proposals require court approval. A compromise or scheme of arrangement, if confirmed by the court, is binding on creditors (including secured creditors) and may result in amounts payable to creditors (including secured creditors) being reduced.



## **Belgian Law Pledge over Financial Instruments on Account**

Under Belgian law, in order for a pledge over financial instruments to be valid and enforceable, the pledged assets must be transferred into the possession of the pledgee (or a person acting on behalf of the pledgee) so that the pledgee (or the person acting on behalf of the pledge) exercises control over such pledged assets. Although the provisions of the General Pledge Agreement and in particular the custody arrangements in relation to the financial instruments held within the General Short Custody Account and the General Long Custody Account, are in each case intended to organize a certain level of dispossession and control over the assets pledged thereunder, whereas there is some uncertainty as to which conditions need to be met in order to have a sufficient control and effective dispossession, no assurance can be given that a court will at all times find that the mechanisms provided for in the General Pledge Agreement are adequate to establish such dispossession.

## **International Financial Reporting Standards**

The Issuer's Irish corporation tax position depends to a significant extent on the accounting treatment applicable to the Issuer. The accounts of the Issuer are required to comply with International Financial Reporting Standards ("IFRS") or with generally accepted accounting principles in Ireland ("Irish GAAP") which has been substantially aligned with IFRS. Companies such as the Issuer might, under either IFRS or Irish GAAP, be forced to recognise in their accounts movements in the fair value of assets that could result in profits or losses for accounting purposes which bear little relationship to the company's actual cash position. These movements in value may generally be brought into the charge to tax (if not relieved) as a company's tax liability on such assets broadly follows the accounting treatment. However, the taxable profits of a qualifying company within the meaning of section 110 of the Taxes Consolidation Act of Ireland 1997, as amended, (which it is anticipated that the Issuer will be) will be based on the profits that would have arisen to the company had its accounts been prepared under Irish GAAP as it existed at 31 December 2004. It is possible to elect out of such treatment and such election, if made, is irrevocable. If the Issuer makes such an election, then taxable profits or losses could arise to the Issuer as a result of the application of IFRS or current Irish GAAP that are not contemplated in the cash-flows for the transaction and as such may have a negative effect on the Issuer and its ability to make payments to the Noteholders. The Issuer has covenanted in the Master Trust Deed that, if its cash flows would thereby be affected adversely, no such election will be made.

## **EU Referendum in the UK**

On 23 June 2016 the UK held a referendum to decide on the UK's membership of the European Union. The UK's vote was to leave the European Union. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a number of years. Until the terms and timing of the UK's exit from the European Union are made clearer, it is not possible to determine the impact that the outcome of the referendum and the UK's departure from the European Union and/or any related matters may have on the business of the Issuer. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

## ***Risks Relating to the Portfolios***

### **Performance of Notes Directly Related to Performance of the Relevant Portfolio**

The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of scheduled payments in respect of Eligible Assets comprising the relevant Portfolio (as each such term is defined below under *The Portfolios*). Consequently, the Issuer is exposed to the ability of the obligors of the Eligible Assets to perform their payment obligations in respect of the Eligible Assets comprised in the Portfolios from time to time.

## **Nature of the Portfolios**

The Portfolios are subject to credit, liquidity and interest rate risks, general economic conditions, operational risks, structural risks, the condition of financial markets, political events, developments or trends in any particular industry, changes in prevailing interest rates and periods of adverse performance.

The market value of the Portfolios generally will fluctuate with, among other things, the financial condition of the obligors of the Eligible Assets comprised therein, the performance of any underlying assets relating to any Eligible Assets comprised therein, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates.

## **Default and Concentration Risk**

The risk that payments on the Notes could be adversely affected by defaults on the relevant Portfolio is likely to be increased to the extent that such Portfolio is concentrated in any one industry, region or country as a result of the increased potential for correlated defaults in respect of a single industry, region or country as a result of downturns relating generally to such industry, region or country. To the extent that a default occurs with respect to any Eligible Asset comprised in a Portfolio and the Issuer sells or otherwise disposes of such Eligible Asset, it is not likely that the proceeds of such sale or disposition will be equal to the full amount of principal and interest thereon. Should increases in default rates occur with respect to the types of collateral comprised in a Portfolio, the actual default rates of such collateral may exceed any hypothetical default rates assumed by investors in determining whether to purchase the Notes.

## **No Investigations**

The Issuer has not made and will not make any investigation into the obligors of the Eligible Assets comprised in any Portfolio from time to time and prospective purchasers of Notes should not rely on the Issuer having made any such investigations. The value of a Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and the Issuer is not under any obligation to maintain the value of any Portfolio at any particular level. The Issuer does not have any liability to the Noteholders as to the amount or value of, or any decrease in value of, the relevant Portfolio from time to time.

## **Reliance on the Portfolio Manager and Administration Agent**

Pursuant to the Portfolio Management Agreement and the Agency Agreement, KBC Asset Management NV, in its respective capacities as Portfolio Manager and Administration Agent (all such terms being defined below under *Portfolio Management, Administration, Custody, Banking and Hedging Arrangements*) will be responsible for managing and servicing the Portfolios on behalf of the Issuer, including executing the acquisition and disposal of Eligible Assets subject to compliance with the applicable provisions of the Trust Deed and the investment restrictions set out in the Portfolio Management Agreement. In undertaking this role, the Portfolio Manager and Administration Agent may review such available public information relating to the obligors of Eligible Assets as it considers appropriate in its absolute discretion. Such review may not include due diligence of the kind common in relation to a primary securities offering.

The performance of any investment in any Notes will be dependent on, *inter alia*, the ability of the Portfolio Manager and Administration Agent to manage and service the relevant Portfolio and the performance by the Portfolio Manager and Administration Agent of its obligations under the Portfolio Management Agreement and the Agency Agreement.

Although the Portfolio Manager is required, pursuant to the terms of the Portfolio Management Agreement, to maintain such equipment, materials and expertise, and employ such professional and other personnel, as shall be necessary to perform the services thereunder, the Portfolio Manager is not required to devote all of its time to such affairs and may continue to advise other investment funds and accounts or provide other management and advisory services to other funds or accounts in the future.

### **Reliance on the Custodian**

Those Eligible Assets comprising securities will be held in an account of, and in the name of, the Custodian. Where any Eligible Assets consist of assets other than securities, such Eligible Assets may be held in the name of or under the control of the Custodian or in such other manner as is approved by the Trustee. The Custodian may be responsible under the Agency Agreement (as defined in *Terms and Conditions of the Notes* below) for receiving payments on Eligible Assets and remitting them to the relevant other creditors or the Principal Paying Agent, as the case may be.

### **Custody Arrangements**

Where the Eligible Assets are held by a sub-custodian on behalf of the Custodian such Eligible Assets will be held pursuant to separate agreements which may vary in relation to any particular Custodian and/or sub-custodian and which may not be governed by Irish law or Belgian law and security interests (if any) in respect of such Eligible Assets may be created pursuant to separate agreements which may not be governed by Irish law or Belgian law. The Custodian will not necessarily be responsible for the acts, omissions, insolvency or dissolution of a sub-custodian. However, where no security is taken over these separate arrangements or over the Eligible Assets themselves (as specified in the relevant Final Terms or Series Offering Document, as applicable), the insolvency or dissolution of the Custodian or the sub-custodian may affect the ability of the Issuer to meet its obligations under the Notes.

### **Regulatory Risks**

#### **General**

Regulatory changes could occur over the course of the life of the Notes that may adversely affect the Issuer. The regulatory environment for entities such as the Issuer is evolving, and changes in the regulation of the Issuer may reduce the return on the Notes. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Certain regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions if market emergencies occur. The regulation of derivatives transactions and vehicles that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Issuer could be substantial and adverse.

#### **Alternative Investment Fund Managers Directive**

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("AIFMD") provides, among other things, that all alternative investment funds ("AIFs") must have a designated alternative investment fund manager ("AIFM") with responsibility for portfolio and risk management. On 8 November 2013, in order to assist in limiting any uncertainty until definitive positions and practises are finalised, the Central Bank of Ireland published a fifth edition of its AIFMD Questions and Answers ("Q&A"), pursuant to which, financial vehicles engaged solely in activities where economic participation is by way of debt or other corresponding instruments which do not provide ownership rights in the financial vehicle (as are provided by the sale of its shares) are advised that they fall outside the scope of the AIFMD regime (unless the Central Bank of Ireland advises those entities

otherwise in a replacement Q&A, which, according to the Q&A, it does not intend to do at least for so long as the European Securities and Markets Authority continues its current work on the matter).

The European Securities and Markets Authority has not yet given any formal guidance on the application of AIFMD to entities such as the Issuer which issue solely debt securities. If AIFMD were to apply to the Issuer, the relevant portfolio manager would need to be appropriately regulated. The Issuer would also be classified as a "financial counterparty" under the European Market Infrastructure Regulation EU 648/2012 and may be required to comply with clearing obligations or other risk mitigation techniques with respect to derivative transactions including obligations to post margin to any central clearing counterparty or market counterparty. In addition, The AIFMD would entail several consequences for the Issuer, notably:

- (a) the Issuer would have to delegate the management of its assets to a duly licensed AIFM (the "**Issuer AIFM**");
- (b) the Issuer AIFM would have to implement procedures in order to identify, prevent, manage, monitor and disclose conflict of interests;
- (c) adequate risk management systems would need to be implemented by the Issuer AIFM to identify, measure, manage and monitor appropriately all risks relevant to the Issuer's investment strategy and to which the Issuer is or can be exposed (including appropriate stress testing procedures);
- (d) valuation procedures would need to be designed at the Issuer level;
- (e) a depositary would have to be appointed in relation to the Issuer's assets; and
- (f) the Issuer and the Issuer AIFM would be subject to certain reporting and disclosure obligations.

From the Issuer's perspective, if the Issuer were considered to be an AIF and could not benefit from the exemption afforded to SSPEs (as defined in the AIFMD) provided in the AIFMD, the AIFMD would require the Portfolio Manager and/or the Issuer to seek authorisation to become an AIFM under the AIFMD. If the Portfolio Manager or the Issuer were to fail to, or be unable to, obtain such authorisation, the Portfolio Manager may not be able to continue to manage the Issuer's assets, or its ability to do so may be impaired. Any regulatory changes arising from implementation of the AIFMD (or otherwise) that impairs the ability of the Portfolio Manager to manage the Issuer's assets may adversely affect the Issuer's ability to service the Notes.

## INCORPORATION BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with:

- (i) the audited financial statements of the Issuer in respect of the financial year ended on 30 April 2016 together with the audit report thereon. Such financial statements are available on the website of the Irish Stock Exchange at <http://www.ise.ie/app/announcementDetails.aspx?ID=12949837>; and
- (ii) the audited financial statements of the Issuer in respect of the financial year ended on 30 April 2015 together with the audit report thereon. Such financial statements are available on the website of the Irish Stock Exchange at <http://www.ise.ie/app/announcementDetails.aspx?ID=12481820>

The items listed at (i) and (ii) (together, the “**Accounts**”) have been filed with the Irish Stock Exchange and shall be deemed to be incorporated in, and form part of, this Base Prospectus, save that any statement contained in any of the Accounts incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus 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 Base Prospectus.

The Conditions set forth in the base prospectus dated 11 September 2014 and 28 September 2015 of the Issuer in respect of the Programme shall also be deemed to be incorporated into and to form part of this Base Prospectus. The Conditions set forth in the base prospectus dated 11 September 2014 are available on the website of the Irish Stock Exchange at: [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_6a78a40c-ca75-44d6-8e25-b68c303ffedb.pdf?v=2182015](http://www.ise.ie/debt_documents/Base%20Prospectus_6a78a40c-ca75-44d6-8e25-b68c303ffedb.pdf?v=2182015). The Conditions set forth in the base prospectus dated 28 September 2015 are available on the website of the Irish Stock Exchange at: [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_bc4dcff0-0f01-468e-91eb-43299778025f.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_bc4dcff0-0f01-468e-91eb-43299778025f.PDF).

Copies of documents incorporated by reference in this Base Prospectus may be obtained from the registered office of the Issuer.

To the extent that only part of a document is incorporated by reference herein, the non-incorporated part of such document is either not relevant for an investor or is covered elsewhere in the Base Prospectus.

## **SUPPLEMENTARY INFORMATION**

The Issuer shall prepare a supplement to this Base Prospectus in the circumstances required by, and in compliance with, Article 16.1 of the Prospectus Directive and relevant implementing measures in Ireland.

## THE PORTFOLIOS

### The General Portfolios

Pursuant to the Master Trust Deed, the Issuer has, subject to the terms and conditions thereof, covenanted to invest the net proceeds of each issue of a General Short Series of Notes or a General Long Series of Notes in securities and/or deposits and/or derivative transactions which meet the following criteria (each a “**General Eligible Asset**”):

#### *General Eligibility Criteria*

- |     |                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) | <i>Eligible Investments</i>             | Cash Deposits, Eligible Debt Securities and Financial Derivative Instruments, in each case as selected from time to time by the Portfolio Manager.                                                                                                                                                                                                                                                                                                                                                                           |
| (b) | <i>Cash Deposits</i>                    | Cash, term deposits and structured deposits held with an Eligible Financial Institution.                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (c) | <i>Eligible Debt Securities</i>         | <p>Any of:</p> <p><i>Eligible Short Term Debt Securities</i>, being commercial paper, certificates of deposit and/or debt securities, having, at the time the relevant asset (or any part thereof) is acquired by or on behalf of the Issuer, a remaining maturity of one-year or less; and</p> <p><i>Eligible Long Term Debt Securities</i>, being debt securities, having, at the time the relevant asset (or any part thereof) is acquired by or on behalf of the Issuer, a remaining maturity greater than one year.</p> |
| (d) | <i>Eligible Financial Institution</i>   | Any financial institution subject to prudential rules applicable to financial institutions having their registered offices in the European Economic Area, or equivalent prudential rules.                                                                                                                                                                                                                                                                                                                                    |
| (e) | <i>Financial Derivative Instruments</i> | The Issuer may enter into a financial derivative contract, listed or OTC, with an Eligible Financial Institution.                                                                                                                                                                                                                                                                                                                                                                                                            |
| (f) | <i>Repurchase Transactions</i>          | The Issuer may, at the Portfolio Manager’s direction, enter into (i) any sale and repurchase (repo) or reverse sale and repurchase (reverse repo) transaction in respect of any Eligible Debt Securities or (ii) any buy/sell back transaction in respect of any Eligible Debt Securities or Specified Securities on such terms and with such parties as the Portfolio Manager in its discretion may deem appropriate.                                                                                                       |

The General Eligible Assets acquired by the Issuer from time to time with the proceeds of the issue of General Short Series of Notes together with such further General Eligible Assets as are acquired by the Issuer from time to time with the proceeds of disposal or redemption of such General Eligible Assets, or acquired with the proceeds of distributions received by the Issuer from such General Eligible Assets held by it, or otherwise derived from such General Eligible Assets held by it are referred to herein as the “**General Short Portfolio**”.

The General Eligible Assets acquired by the Issuer from time to time with the proceeds of the issue of General Long Series of Notes together with such further General Eligible Assets as are acquired by the Issuer from time to time with the proceeds of disposal or redemption of such General Eligible Assets, or acquired with the proceeds of distributions received by the Issuer from such General Eligible Assets held by it, or otherwise derived from such General Eligible Assets held by it are referred to herein as the “**General Long Portfolio**” (the General Long Portfolio, together with the General Short Portfolio, being referred to herein as the “**General Portfolios**”).

### **The Specific Portfolios**

Pursuant to the Master Trust Deed, the Issuer has, subject to the terms and conditions thereof, covenanted to invest the net proceeds of each issue of a Specific Series of Notes in securities and/or deposits and/or derivative transactions which meet the criteria set out below (each a “**Specific Eligible Asset**” and, together with the General Eligible Assets, the “**Eligible Assets**”). The Specific Eligible Assets acquired by the Issuer with the proceeds of the issue of a Specific Series of Notes (and any replacement Specific Eligible Assets) are referred to herein collectively as a “**Specific Portfolio**”, and the Specific Portfolios together with the General Portfolios are referred to herein collectively as the “**Portfolios**”.

The “**Specific Eligible Assets**” which may be included in the Specific Portfolio with respect to any Specific Series of Notes may be comprised of any securities (including shares, bonds and units in collective investment undertakings (including, but not limited to, UCITS within the meaning of Directive 2009/65/EC, as amended)), deposits, money market instruments, derivative transactions and any other qualifying asset within the meaning of section 110 of the Taxes Consolidation Act 1997, which are (i) obligations of an entity organised under the laws of any European Economic Area member state, any OECD member state, Jersey, Cayman Islands or Bermuda and (ii) which in each case have a scheduled maturity not later than fifteen years following the scheduled maturity of the related Specific Series of Notes.

The categories of Specific Eligible Assets which shall comprise the Specific Portfolio with respect to a Specific Series of Notes may be more particularly identified in the Final Terms or Series Offering Document, as applicable, relating to such Specific Series and, in any event, subject as provided below, in the case of a Specific Series of Notes which is to be admitted to trading on the regulated market of the Irish Stock Exchange or any other EEA regulated market and/or offered to the public within the EEA in circumstances which require the publication of a prospectus in accordance with the Prospectus Directive, such Specific Portfolio shall be subject to the following restrictions:

- (a) the Specific Eligible Assets comprised in such Specific Portfolio shall comprise obligations of more than 5 obligors;
- (b) no obligor shall account for 20% or more of the Specific Eligible Assets comprised in such Specific Portfolio;
- (c) where the Specific Eligible Assets comprised in such Specific Portfolio are equity securities, such securities shall be admitted to trading on a regulated or equivalent market and the relevant Final Terms or Series Offering Document, as applicable, shall also include the following information with respect to such equity securities:
  - (i) a description of the relevant equity securities;
  - (ii) a description of the market on which they are traded, including its date of establishment, how price information is published, an indication of daily trading volumes, information as to the standing of the market in the country and the name of the market’s regulatory authority; and



- (iii) the frequency with which prices of the relevant equity securities are published; and
- (d) the Specific Eligible Assets shall not derive their value or the greater part of their value from Irish land or buildings.

Where the Specific Portfolio for a Specific Series of Notes will not satisfy such restrictions, and such Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange or any other EEA regulated market and/or offered to the public within the EEA in circumstances which require the publication of a prospectus in accordance with the Prospectus Directive, further information in respect of the relevant Specific Portfolio will be provided in a supplement to this Base Prospectus or in a new prospectus published in respect of the relevant Specific Series.

## PORTFOLIO MANAGEMENT, ADMINISTRATION, CUSTODY, BANKING AND HEDGING ARRANGEMENTS

### Portfolio Management

The Portfolios held by the Issuer shall be managed on behalf of the Issuer by KBC Asset Management NV (in such capacity, the “**Portfolio Manager**”) pursuant to a portfolio management agreement originally dated 21 September 2006 and most recently amended and restated on 3 July 2013 and amended on 4 November 2016 (as from time to time further amended and/or supplemented in accordance therewith) and made between the Issuer, the Trustee and the Portfolio Manager (the “**Portfolio Management Agreement**”). The Portfolio Manager’s appointment with respect to either General Portfolio and/or any Specific Portfolio may and, in the case of (d) below shall, be terminated:

- (a) by the Portfolio Manager, without cause, upon it giving not less than 90 days’ prior written notice to the Issuer and the Trustee;
- (b) by the Portfolio Manager, at any time upon it giving notice to the Issuer and the Trustee, if a change in law or regulation would render the Portfolio Manager’s performance of its duties in respect of the relevant Portfolio a violation of such law or regulation;
- (c) by the Issuer or Trustee with cause upon 15 business days’ prior written notice;
- (d) by the Trustee, acting at the direction of the holders of at least 66 $\frac{2}{3}$  per cent. of the Notes of all General Short Series outstanding (in the case of a termination of the appointment of the Portfolio Manager with respect to the General Short Portfolio) or of the Notes of all General Long Series outstanding (in the case of a termination of the appointment of the Portfolio Manager with respect to the General Long Portfolio) or of the Notes of the relevant Specific Series outstanding (in the case of a termination of the appointment of the Portfolio Manager with respect to a Specific Portfolio), upon, with cause, 15 business days’ prior written notice and upon, without cause, 90 days’ prior written notice; and
- (e) by the Issuer, without cause, upon not less than 90 days’ prior written notice, provided that, in the case of (a), (c), (d) and (e) above, no termination shall take effect until a replacement Portfolio Manager has been appointed.

Pursuant to the Portfolio Management Agreement, the Portfolio Manager acquires and disposes of General Eligible Assets with respect to each General Portfolio and Specific Eligible Assets with respect to each Specific Portfolio on behalf of the Issuer in accordance with the investment restrictions described above under *The Portfolios* and, in the case of a Specific Portfolio, in accordance with any additional or varied investment restrictions relating to that Specific Portfolio, which shall be set out in the Supplemental Trust Deed relating to the relevant Specific Series.

The Portfolio Manager was incorporated in Belgium on 30 December 1999 and obtained a licence as “**vennootschap voor vermogensbeheer**” (asset management company) on 1 June 2000 by the “Commissie voor het Bank – en Financiewezen – Commission Bancaire et Financière” (The Belgian Banking and Finance Commission). This licence was amended on 9 June 2005 to “**beheersvennootschap van instellingen voor collectieve belegging**” (management company of collective investment schemes).

The principals of the Portfolio Manager are as follows:

- Dirk Mampaey, Chief Executive Officer. Responsible for Finance, Organisation, Human Resources Management, Risk Control, Compliance, Socially Responsible Investments, Proxy Voting and Company Secretariat. Board Member of KBC Asset Management SA (Luxembourg);

- Klaus Vandewalle, Managing Director. Responsible for Operations.
- Juergen Verschaeve, Managing Director. Responsible for Management of Capital Protected and Structured Funds. Responsible for Asset Allocation and Portfolio/Investment Strategy, Sector & Corporate Research; Management of Equity Funds, Management of Fixed Income Funds, Management of Funds of Funds, Group Assets, Management Derivatives Portfolio / Arbitrage Activity;
- Chris Sterckx, Managing Director. Responsible for Innovation and Product Development. Board member of KBC Asset Management SA (Luxembourg), Arcade Finance p.l.c., D-Star Finance p.l.c. (in liquidation), Amethyst Structured Finance p.l.c., Beechwood Structured Finance p.l.c., Brookfields Capital p.l.c., Eperon Finance p.l.c., Espaccio Securities p.l.c., Greenstreet Structured Financial Products p.l.c., Nimrod Capital p.l.c., Opal Financial Products p.l.c., Profile Finance p.l.c., Recolte Securities p.l.c., Silverstate Financial Investments p.l.c., Vespucci Structured Financial Products p.l.c., Vidago Capital p.l.c., Voyce Investments p.l.c., Waterford Capital Investments p.l.c., Waves Financial Investments p.l.c., Amber Protective Bond Portfolio Limited, Carmine Protective Bond Portfolio Limited (in liquidation), Coral Protective Bond Portfolio Limited (in liquidation), Emerald Protective Bond Portfolio Limited (in liquidation), Indigo Protective Bond Portfolio Limited (in liquidation), Ivory Protective Bond Portfolio Limited (in liquidation), Magenta Protective Bond Portfolio Limited (in liquidation), Sepia Protective Bond Portfolio Limited (in liquidation), Taupe Protective Bond Portfolio Limited (in liquidation), Vermillion Protective Bond Portfolio p.l.c., Ipanema Capital p.l.c. and KBC Investment Fund;
- Linda Demunter, Chief Risk Officer and Managing Director. Board member of Arcade Finance p.l.c., Amethyst Structured Finance p.l.c., Beechwood Structured Finance p.l.c., Brookfields Capital p.l.c., Eperon Finance p.l.c., Espaccio Securities p.l.c., Greenstreet Structured Financial Products p.l.c., Nimrod Capital p.l.c., Opal Financial Products p.l.c., Profile Finance p.l.c., Recolte Securities p.l.c., Silverstate Financial Investments p.l.c., Vespucci Structured Financial Products p.l.c., Vidago Capital p.l.c., Voyce Investments p.l.c., Waterford Capital Investments p.l.c., Waves Financial Investments p.l.c., Vermillion Protective Bond Portfolio p.l.c. and Ipanema Capital p.l.c.
- Gert Rammeloo, Managing Director. Responsible for International Development Home Markets (Central Europe), International Development Non-Home Markets (Asia), International Sales Support. Board member of CSOB Asset Management a.s. (Czech Republic), CSOB Investment Company (Czech Republic), CSOB Asset Management (Slovak Republic), K&H Investment Fund Company (Hungary), KBC TFI S.A. (Poland), PTE Warta S.A.(Poland).

## Portfolio Administration

The Eligible Assets held by the Issuer are administered on behalf of the Issuer by KBC Asset Management NV (in such capacity, the “**Administration Agent**”) pursuant to the Agency Agreement. Pursuant to the Agency Agreement, the Administration Agent has agreed to monitor the Portfolios on behalf of the Issuer and to provide to the Issuer and the Portfolio Manager on a periodic basis with certain information regarding the Eligible Assets comprised in the Portfolios, cash on deposit in each Cash Account, the Principal Amount Outstanding of each Series of Notes, and payments which are scheduled to fall due by the Issuer prior to the next reporting date.

The Administration Agent has also agreed to provide information to the Issuer and the Portfolio Manager on a periodic basis regarding the valuations of the Portfolios and the liabilities of the Issuer (including liabilities represented by Notes issued by it).

The Administration Agent may resign by giving to the Issuer, the Trustee and the Principal Paying Agent not less than 60 days' written notice, and the Issuer may, with the prior written approval of the Trustee, terminate the appointment of the Administration Agent by giving to the Administration Agent, the Trustee and the Principal Paying Agent not less than 60 days' written notice. The appointment of the Administration Agent will terminate forthwith if the Administration Agent becomes insolvent or enters into insolvency proceedings. The Issuer has covenanted in favour of the Trustee that there will at all times be an Administration Agent.

### **Custody and Banking Arrangements**

The securities comprised in the Portfolios shall be held, or shall be caused to be held, on behalf of the Issuer by KBC Bank NV acting in its capacity as custodian and/or by such other custodian as may be appointed by the Issuer with the written approval of the Trustee (the "**Custodian**") pursuant to the Agency Agreement and the Trust Deed.

Such securities as are comprised in the General Short Portfolio shall be held by the Custodian in a securities account in the name of the Issuer (the "**General Short Custody Account**"), such securities as are comprised in the General Long Portfolio shall be held by the Custodian in a separate securities account in the name of the Issuer (the "**General Long Custody Account**") and such securities as are comprised in each Specific Portfolio shall be held by the Custodian in separate securities accounts in the name of the Issuer (each a "**Specific Custody Account**").

The Custodian has opened a cash account (the "**General Short Cash Account**") in the name of the Issuer into which is paid all amounts of principal, interest and other cash distributions received in respect of the General Short Portfolio (other than in respect of deposits with third party Eligible Financial Institutions, which may be maintained by or on behalf of the Issuer in accordance with the Master Trust Deed and as described in *The Portfolios – The General Portfolios* above). Payments made by the Issuer in respect of the Notes of each General Short Series are made from (and only from) amounts standing to the credit of the General Short Cash Account.

The Custodian has opened a cash account (the "**General Long Cash Account**") in the name of the Issuer into which is paid all amounts of principal, interest and other cash distributions received in respect of the General Long Portfolio (other than in respect of deposits with third party Eligible Financial Institutions, which may be maintained by or on behalf of the Issuer in accordance with the Master Trust Deed and as described in *The Portfolios – The General Portfolios* above). Payments made by the Issuer in respect of the Notes of each General Long Series are made from (and only from) amounts standing to the credit of the General Long Cash Account.

The Custodian will open separate cash accounts (each a "**Specific Cash Account**") in the name of the Issuer into which will be paid all amounts of principal, interest and other cash distributions received in respect of each Specific Portfolio. Payments made by the Issuer in respect of the Notes of a Specific Series will be made from (and only from) amounts standing to the credit of the relevant Specific Cash Account.

### **Hedging**

The Issuer may from time to time enter into swap and/or other derivative transactions with counterparties (each a "**Swap Counterparty**") for the purposes of hedging interest rate, currency or other risks to which it would otherwise be exposed, or for the purposes of gaining exposure to a reference asset, obligation or index. Any such swap or other derivative transaction will relate only to the Notes of one or more General Short Series (in which case it is referred to herein as a "**General Short Swap Agreement**") or to the Notes of one or more General Long Series (in which case it is referred to herein as a "**General Long Swap Agreement**" (General Long Swap Agreements and General Short Swap Agreements being referred to herein together as "**General Swap Agreements**")) or to the Notes of a Specific Series (in which case it is referred to herein as a "**Specific Swap**").

**Agreement**", the General Swap Agreements, together with the Specific Swap Agreements, being referred to herein together as the **"Swap Agreements"**).

### **Securities Lending Arrangements**

The Issuer may enter into agreements from time to time pursuant to which the Issuer will appoint an agent (each an **"Agent"**) for the purposes of lending debt securities comprised in any of its Portfolios to approved counterparties. Under any such agreement (the **"Securities Lending Agency Agreement"**), the Agent will be authorised, as the Issuer's agent, to enter into securities lending agreements in the form of a Global Master Securities Lending Agreement published by the International Securities Lending Association (with, in each case, such additions or modifications as the Agent deems appropriate) (each a **"Master Securities Lending Agreement"**) with counterparties specified in the Securities Lending Agency Agreement (each an **"Approved Counterparty"**) and to enter into securities lending transactions with Approved Counterparties on behalf of the Issuer thereunder (each a **"Securities Lending Transaction"**). As at the date of this Base Prospectus, the Issuer has appointed Société Générale S.A., a corporation (*société anonyme*) duly established and operating under the laws of the Republic of France, having a share capital of 998 320 373,75 EUR and a registered office at 29, boulevard Haussmann – 75009 Paris, France, registered at the Register of Trade and Companies of Paris under number 552 120 222, as an Agent.

Under each Securities Lending Transaction entered into by an Agent on behalf of the Issuer, the Issuer (or the Portfolio Manager on its behalf) will be required to transfer title to relevant debt securities held in a Portfolio of the Issuer to an Approved Counterparty in exchange for the transfer by the relevant Approved Counterparty to the Issuer of an amount of cash denominated in US dollars or Euro (**"Cash Collateral"**).

Under the terms of a Securities Lending Transaction, the amount of Cash Collateral to be transferred by the relevant Approved Counterparty to the Issuer will be equal to the value of the securities transferred by the Issuer to the Approved Counterparty plus a margin. The value of the securities transferred by the Issuer to an Approved Counterparty pursuant to a Securities Lending Transaction will be marked to market by the Agent on behalf of the Issuer on a daily basis and the requirement for Cash Collateral adjusted accordingly.

During the life of a Securities Lending Transaction, the Approved Counterparty will be required to account to the Issuer in respect of coupon payments, other distributions and corporate actions which occur in respect of the relevant securities which are the subject of the Securities Lending Transaction.

The Approved Counterparty will be required to pay a fee to the Issuer in respect of each Securities Lending Transaction entered into between them, which fee will be based upon the value of the securities which are the subject of the relevant Securities Lending Transaction. The Issuer will be required to pay to the Approved Counterparty interest on any Cash Collateral paid to it by the Approved Counterparty in connection with the relevant Securities Lending Transaction. The fees payable by Approved Counterparties to the Issuer in connection with Securities Lending Transactions entered into between them and the rates of interest payable by the Issuer to Approved Counterparties in respect of Cash Collateral held by the Issuer in connection with such Securities Lending Transactions will be agreed in each case between the Agent on behalf of the Issuer and the relevant Approved Counterparty.

Securities Lending Transactions will generally be terminable on notice by either party or upon the occurrence of an event of default under the relevant Master Securities Lending Agreement. On termination of a Securities Lending Transaction, the relevant Approved Counterparty will be required to transfer to the Issuer securities equivalent (within the meaning of the relevant Master Securities Lending Agreement) to the securities which were transferred by the Issuer to such

Approved Counterparty at inception of the relevant Securities Lending Transaction and the Issuer will be required to transfer to the relevant Approved Counterparty the Cash Collateral then held by it in connection with such Securities Lending Transaction.

Cash Collateral received by the Issuer under a Securities Lending Transaction will not be held in any of the Cash Accounts of the Issuer maintained with the Custodian, but will be deposited by the Issuer into a segregated cash collateral account maintained with the Agent.

A separate segregated cash collateral account will be maintained by an Agent for Cash Collateral received or to be received by the Issuer in connection with Securities Lending Transactions relating to securities comprised in the General Short Portfolio (the “**General Short Portfolio Cash Collateral Account**”) and the Issuer shall procure that Cash Collateral received by it in connection with such Securities Lending Transactions (“**General Short Portfolio Cash Collateral**”) shall be credited thereto.

A separate segregated cash collateral account will be maintained by an Agent for Cash Collateral received or to be received by the Issuer in connection with Securities Lending Transactions relating to securities comprised in the General Long Portfolio (the “**General Long Portfolio Cash Collateral Account**”) and the Issuer shall procure that Cash Collateral received by it in connection with such Securities Lending Transactions (“**General Long Portfolio Cash Collateral**”) shall be credited thereto.

A separate segregated cash collateral account will be maintained by an Agent for Cash Collateral received or to be received by the Issuer in connection with Securities Lending Transactions relating to securities comprised in each Specific Portfolio (each a “**Specific Portfolio Cash Collateral Account**” and, together with the Short Portfolio Cash Collateral Account and the Long Portfolio Cash Collateral Account, the “**Cash Collateral Accounts**”) and the Issuer shall procure that Cash Collateral received by it in connection with any such Securities Lending Transactions (“**Specific Portfolio Cash Collateral**”) shall be credited thereto.

An Agent will be entitled, on behalf of the Issuer, to reinvest amounts of Cash Collateral received from Approved Counterparties. Such reinvestment will be required to be effected in accordance with parameters set forth in the Securities Lending Agency Agreement and described below.

Any assets (“**General Short Portfolio Reinvestment Collateral**”) acquired by an Agent by reinvesting General Short Portfolio Cash Collateral (or the proceeds of any previously acquired General Short Portfolio Reinvestment Collateral) which comprises securities will be held in a separate segregated custody account of the Issuer with the Agent (the “**General Short Portfolio Reinvestment Collateral Account**”). Any assets (“**General Long Portfolio Reinvestment Collateral**”) acquired by an Agent by reinvesting General Long Portfolio Cash Collateral (or the proceeds of any previously acquired General Long Portfolio Reinvestment Collateral) which comprises securities will be held in a separate segregated custody account of the Issuer with the Agent (the “**General Long Portfolio Reinvestment Collateral Account**”). Any assets (“**Specific Portfolio Reinvestment Collateral**” and together with the General Short Portfolio Reinvestment Collateral and the General Long Portfolio Reinvestment Collateral, the “**Reinvestment Collateral**”) acquired by an Agent by reinvesting any Specific Portfolio Cash Collateral (or the proceeds of any previously acquired Specific Portfolio Reinvestment Collateral) which comprises securities will be held in a separate segregated custody account of the Issuer with the Agent (each a “**Specific Portfolio Reinvestment Collateral Account**” and, together with the General Short Portfolio Reinvestment Collateral Account and the General Long Portfolio Reinvestment Collateral Account, the “**Reinvestment Collateral Accounts**”).

General Short Portfolio Cash Collateral and General Short Portfolio Reinvestment Collateral are referred to together as “**General Short Portfolio Collateral**”. General Long Portfolio Cash Collateral and General Long Portfolio Reinvestment Collateral are referred to together as “**General Long Portfolio Collateral**”. Specific Portfolio Cash Collateral and Specific Portfolio Reinvestment Collateral are referred to together as “**Specific Portfolio Collateral**”.

The parameters applicable to the reinvestment of Cash Collateral will be:

- (a) Reinvestment Collateral may comprise deposit accounts with KBC Bank NV, Société Générale SA or another credit institution approved by the Portfolio Manager, provided that:
  - (i) each relevant deposit account is pledged in favour of the Trustee; and
  - (ii) no more than 20% of the value of the Cash Collateral may be reinvested in deposit/cash accounts with any one credit institution.
- (b) Reinvestment Collateral may comprise units in a short money market fund (“**MMF**”) as defined by the European Securities and Markets Authority at any time, provided that:
  - (i) the relevant MMF is approved by the Portfolio Manager; and
  - (ii) no more than 20% of the value of the Cash Collateral may be reinvested in units in a MMF.
- (c) Reinvestment Collateral may comprise sovereign debt issued by any EU member state (other than Luxembourg), USA, Canada, Australia or Norway, provided that:
  - (i) such sovereign debt is rated at least AA- (Bloomberg Composite);
  - (ii) the maximum remaining time to the maturity of such sovereign debt at the time of acquisition is 9 months; and
  - (iii) no more than 20% of the value of the Cash Collateral may be reinvested in sovereign debt issued by any one sovereign issuer.
- (d) Reinvestment Collateral must be denominated in the same currency as the Cash Collateral originally received from the Approved Counterparty.

Under the terms of a Securities Lending Agency Agreement, net revenues derived from Securities Lending Transactions will be shared between the Issuer and the Agent in agreed proportions.

The Cash Collateral Accounts and the Reinvestment Collateral Accounts will each be the subject of a separate pledge by the Issuer in favour of the Trustee to secure the Notes of each General Short Series (in the case of the pledges over the General Short Portfolio Cash Collateral Account and the General Short Portfolio Reinvestment Collateral Account), the Notes of each General Long Series (in the case of the pledge over the General Long Portfolio Cash Collateral Account and the General Long Portfolio Reinvestment Collateral Account) or the Notes of the relevant Specific Series (in the case of the pledge over a Specific Portfolio Cash Collateral Account and a Specific Portfolio Reinvestment Collateral Account).

## THE ISSUER

### General

Silverstate Financial Investments p.l.c. was incorporated as a special purpose vehicle in Ireland (with registered number 426060) on 5 September 2006 as a public company limited by shares under the Companies Acts 1963 to 2006 (now the Companies Act 2014, as amended). The authorised share capital of the Issuer is EUR40,000 divided into 40,000 ordinary shares of EUR1 each, all of which have been issued at par, are fully paid and are held, directly or through its nominees, by BNY Mellon Corporate Trustee Services Limited (in such capacity, the “**Share Trustee**”) under the terms of a trust established under Irish law by a declaration of trust dated 12 September 2006 and made by the Share Trustee for the benefit of such charities as the Share Trustee may determine from time to time at its discretion. The Share Trustee has no beneficial interest in and derives no benefit other than its fees for acting as trustee from holding such shares. The registered office of the Issuer is at 4<sup>th</sup> Floor, Hanover Building, Windmill Lane, Dublin 2, Ireland (telephone number +353 1 542 7920). The Issuer has no subsidiaries or subsidiary undertakings.

### Directors and Secretary

The Directors of the Issuer are:

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities outside the Issuer</i>
Michael Boyce	19 Glen Avenue The Park, Cabinteely Dublin 18 Ireland	Company Director
John Fitzpatrick	Van Neis Scholarstown Road Rathfarnham Dublin 16 Ireland	Company Director
Christiaan Sterckx	De Selliers De Moranvillelaan 70 1082 Brussels Belgium	Managing Director, KBC Asset Management NV
Linda Demunter	Nijven 15 2890 Oppuurs Belgium	Chief Risk Officer and Managing Director, KBC Asset Management NV, Company Director

The company secretary of the Issuer is The Bank of New York Mellon Sa/Nv, whose principal address is Fourth Floor, Hanover Building, Windmill Lane, Dublin 2, Ireland. It is anticipated that the Issuer will appoint HMP Secretarial Limited as replacement company secretary in November 2016. KBC Bank Ireland p.l.c., whose principal address is Sandwith Street, Dublin 2, Ireland, provides certain accounting and related services to the Issuer.



## **Business**

The principal objects of the Issuer are set out in clause 3 of its Memorandum of Association and are, *inter alia*, to issue, purchase, acquire, deal, trade, hold, manage or otherwise enter into an arrangement which constitutes any financial asset including, without limitation, shares, bonds, and other securities, all kinds of futures, options, swaps, derivatives and similar instruments, invoices and to raise, borrow and secure the payment of money by the creation and issue of notes, bonds, debentures, commercial paper, or other securities whether or not secured upon all or any of the Issuer's undertaking, assets, property and revenues.

The only activities in which the Issuer has engaged are those incidental to its incorporation and registration as a public limited company under the Companies Acts 1963 to 2006 (now the Companies Act 2014), the authorisation of the issue of Series of Notes, the other matters referred to or contemplated in this Base Prospectus and the authorisation, execution, delivery and performance of the other documents referred to in this Base Prospectus to which the Issuer is a party and matters which are incidental or ancillary to the foregoing.

The Issuer has entered into certain restrictive covenants as set out in the Conditions and the Master Trust Deed.

### **Issuer's power to appoint a new trustee and the resignation/removal of the Trustee**

Pursuant to the provisions of the Trust Deed, the Issuer has the power to appoint a new trustee where the Trustee has resigned or has been removed as set out below.

The Trustee may retire at any time upon giving not less than 60 days' prior written notice to the Issuer without giving any reason and without being responsible for any costs occasioned by such retirement and the Noteholders shall have power, exercisable by extraordinary resolution, to remove any Trustee provided that the retirement or removal of any sole trustee or sole trust corporation shall not become effective until a trust corporation is appointed as successor Trustee. The Issuer undertakes that, if a sole trust corporation gives notice of retirement or an extraordinary resolution of Noteholders is passed for its removal, the Issuer shall use all reasonable endeavours to procure that another trust corporation be appointed as Trustee. If the Issuer fails to procure the appointment of a new trustee within the period of 60 days following notification of resignation or removal, the Trustee may appoint a successor trustee.

**The only assets of the Issuer available to meet the claims of the holders of the Notes will be the assets which comprise the security for the Notes, as described under Condition 4 of the Notes.**

The Notes are obligations of the Issuer alone and not of the Portfolio Manager, any Agent, the Trustee, or the Custodian.

There is no intention to accumulate surpluses in the Issuer.

## **Financial Statements**

The last published audited financial statements of the Issuer, which relate to its financial year ended 30 April 2016, have been filed with the Irish Stock Exchange. Any future audited financial statements will be published for each year ending on the last day of April and will be available at the registered office of the Issuer and, for so long as any Notes are listed on a regulated market, will be filed with the Irish Stock Exchange. Any future unaudited half yearly financial statements will be published for the six month period ending on the last day of October and will be available at the registered office of the Issuer and, for so long as any Notes are listed on a regulated market, will be filed with the Irish Stock Exchange.

**Auditors**

The statutory auditors of the Issuer are Deloitte. Deloitte is a member of the Institute of Chartered Accountants of Ireland.

## **USE OF PROCEEDS AND EXPENSES**

The net proceeds of each issue of Notes will be used by the Issuer in acquiring Eligible Assets and/or making an initial payment under a related Swap Agreement, if applicable. The expenses for each issue of Notes will be identified in the relevant Final Terms or Series Offering Document, as applicable.

## TERMS AND CONDITIONS OF THE NOTES

*The following (apart from the text in italics) is the text of the terms and conditions which, subject to completion pursuant to the Final Terms or completion and amendment pursuant to the Series Offering Document, as applicable, relating to a Series, and as supplemented, modified or replaced by the provisions of any relevant Supplemental Trust Deed, and as described in the section of this Base Prospectus headed "Summary of Provisions Relating to the Notes while in Global Form", will be applicable to the Global Note(s) or Global Certificates representing each Series and to the Definitive Bearer Notes or Individual Certificates (if any) issued in exchange therefor and will be endorsed on such Definitive Bearer Notes or Individual Certificates, details of the relevant Series being shown on the relevant Notes or Certificates and in the relevant Final Terms or Series Offering Document, as applicable. Save as expressly stated or the context otherwise requires:*

- (a) *in the case of any General Short Series of Notes, references in the text below to:*
    - (i) *"Charged Assets" shall be construed as references to General Short Charged Assets only;*
    - (ii) *"Coupons" or "Talons" shall be construed as references to Coupons or Talons relating to Notes of a General Short Series only;*
    - (iii) *"Event of Default" shall be construed as references to a General Short Event of Default only;*
    - (iv) *"Noteholders" shall be construed as references to holders of Notes of General Short Series only acting in their capacity as such;*
    - (v) *"Notes" shall be construed as references to the Notes of General Short Series only;*
    - (vi) *"Secured Parties" shall be construed as references to the General Short Secured Parties only;*
    - (vii) *"Security" shall be construed as references to General Short Security only; and*
    - (viii) *"Swap Agreement" shall be construed as references to General Short Swap Agreements only;*
  - (b) *in the case of any General Long Series of Notes, references in the text below to:*
    - (i) *"Charged Assets" shall be construed as references to General Long Charged Assets only;*
    - (ii) *"Coupons" or "Talons" shall be construed as references to Coupons or Talons relating to Notes of a General Long Series only;*
    - (iii) *"Event of Default" shall be construed as references to a General Long Event of Default only;*
    - (iv) *"Noteholders" shall be construed as references to holders of Notes of General Long Series only acting in their capacity as such;*
    - (v) *"Notes" shall be construed as references to the Notes of General Long Series only;*
    - (vi) *"Secured Parties" shall be construed as references to the General Long Secured Parties only;*
    - (vii) *"Security" shall be construed as references to General Long Security only; and*
    - (viii) *"Swap Agreement" shall be construed as references to General Long Swap Agreements only;*
- and*

- (c) *in the case of any Specific Series of Notes, references in the text below to:*
- (i) *“Charged Assets” shall be construed as references to the relevant Specific Charged Assets only;*
  - (ii) *“Coupons” or “Talons” shall be construed as references to Coupons or Talons relating to Notes of a such Specific Series only;*
  - (iii) *“Event of Default” shall be construed as references to a Specific Event of Default with respect to the relevant Specific Series only;*
  - (iv) *“Noteholders” shall be construed as references to holders of Notes of such Specific Series only acting in their capacity as such;*
  - (v) *“Notes” shall be construed as references to the Notes of such Specific Series only;*
  - (vi) *“Secured Parties” shall be construed as references to the relevant Specific Secured Parties only;*
  - (vii) *“Security” shall be construed as references to the relevant Specific Security only; and*
  - (viii) *“Swap Agreement” shall be construed as references to any relevant Specific Swap Agreement only.*

The Notes are constituted by a master trust deed originally dated 21 September 2006 and most recently amended and restated on 28 September 2015, (the “**Master Trust Deed**”) made between, inter alios, the Issuer and BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”) as trustee for the holders of the Notes (as from time to time further amended and supplemented in accordance therewith). The Master Trust Deed incorporates by reference the provisions of a master definitions and common terms agreement originally dated 21 September 2006 and most recently amended and restated on 28 September 2015 made between, inter alios, the Issuer and the Trustee (the “**Master Definitions and Common Terms Agreement**”). The Notes will be issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) issued on different dates. The Issuer and the Trustee shall enter into a deed supplemental to the Master Trust Deed with respect to each Specific Series (each a “**Supplemental Trust Deed**”). The Master Trust Deed and any relevant Supplemental Trust Deed with respect to a Specific Series are referred to together as the “**Trust Deed**” with respect to the relevant Specific Series. The Master Trust Deed with respect to each General Short Series is referred to as the “**Trust Deed**” with respect to the General Short Series. The Master Trust Deed with respect to each General Long Series is referred to as the “**Trust Deed**” with respect to the General Long Series. Payments under the Notes will be made pursuant to a master agency agreement originally dated 21 September 2006 and most recently amended and restated on 4 November 2016 as amended from time to time (the “**Agency Agreement**”), which the Issuer has entered into with the Trustee, The Bank of New York Mellon as principal paying agent (in such capacity the “**Principal Paying Agent**” and together with any other paying agents appointed thereunder, the “**Paying Agents**”), as calculation agent (in such capacity, the “**Calculation Agent**”), as transfer agent (in such capacity the “**Transfer Agent**”) and as registrar (in such capacity the “**Registrar**”), KBC Asset Management NV as portfolio manager (in such capacity the “**Portfolio Manager**”) and as administration agent (in such capacity the “**Administration Agent**”) and KBC Bank NV as custodian (in such capacity, the “**Custodian**” and together with the Paying Agents, Calculation Agent, Administration Agent, Custodian, Registrar and Transfer Agent, the “**Agents**”). The Agency Agreement also incorporates by reference the provisions of the Master Definitions and Common Terms Agreement. References in these Conditions (as defined below) to the Principal Paying Agent and the other Agents and to the “**Agency Agreement**” shall be construed accordingly. All General Eligible Assets taking the form of securities will be held or caused to be held on behalf of the Issuer by the Custodian pursuant to the Agency Agreement (as amended from time to time) and all Specific

Eligible Assets taking the form of securities will be held or caused to be held on behalf of the Issuer by the Custodian pursuant to the Agency Agreement (as amended from time to time) and/or such other agreement as may be specified in the relevant Supplemental Trust Deed and the Conditions. References in these Conditions to the “**Custodian**” shall be construed accordingly. Statements in these terms and conditions (as amended and supplemented in the case of a Specific Series) by the relevant Supplemental Trust Deed, and as described in the relevant Final Terms or Series Offering Document, as applicable, (the “**Conditions**”) are subject to the detailed provisions of the Trust Deed and the Agency Agreement, copies of which are available for inspection at the registered office of the Issuer and the specified offices of the Principal Paying Agent. The Trust Deed includes the form of the Notes in bearer and registered form, the interest coupons (if any) relating to Notes in bearer form (the “**Coupons**”) and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”). Noteholders and Couponholders (each as defined in Condition 1) are entitled to the benefit of, and are deemed to have notice of, all the provisions contained in the Trust Deed and the relevant Final Terms or Series Offering Document, as applicable, and those applicable to them of the Agency Agreement.

Capitalised terms used but not defined in these Conditions shall have the meanings or values attributed to them in the Trust Deed unless the context otherwise requires or unless otherwise stated.

## 1. **Form, Denomination and Title**

The Notes are serially numbered and issued in bearer form (“**Bearer Notes**”) in the denomination of the Specified Denominations(s) or in registered form (“**Registered Notes**”) in amounts of the Specified Denomination or such integral multiples of a stated amount in excess thereof (“**Authorised Denominations**”) as are specified in the Final Terms or Series Offering Document, as applicable. “**Specified Denomination**” means such amount as is specified in the Final Terms or Series Offering Document, as applicable, subject to a minimum denomination of €1,000 (or its equivalent in any other currency as at the date of issue of these Notes). All Registered Notes of the same Series shall have the same Specified Denomination.

So long as the Notes are represented by a temporary Global Note, permanent Global Note or Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided hereon and integral multiples of the Tradable Amount provided in the Final Terms or Series Offering Document, as applicable.

Subject as described in “*Summary of Provisions relating to the Notes while in Global Form*”, Bearer Notes are issued with Coupons (and, where appropriate, a Talon) attached save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the due date for redemption in respect of overdue amounts of principal, both before and after judgment) and Coupons and Talons in these Conditions are not applicable.

Subject as described in “*Summary of Provisions relating to the Notes while in Global Form*”, Registered Notes are represented by registered certificates (“**Individual Certificates**”), and, save as provided in Condition 2(c), each Individual Certificate representing a holding of one or more Registered Notes by the same holder.

Title to the Bearer Notes, the Coupons appertaining thereto and Talons shall pass by delivery. Title to the Registered Notes shall pass by assignment and registration in the register (the “**Register**”) which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. A copy of the Register showing current holdings of Registered Notes will be available at the registered office of the Issuer. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Bearer Note, Coupon

or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions “**Noteholder**” means (i) the holder of any definitive Bearer Note or (ii) the person in whose name a Registered Note is registered and “**Couponholder**” means the holder of any Coupon and “**Talonholder**” means the holder of any Talon.

The Issuer, the Trustee and each Paying Agent shall deem and treat each Noteholder, Couponholder and Talonholder as the absolute owner of the relevant Note, Coupon or Talon (whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership or writing thereon) for the purpose of making payments and for all other purposes.

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

### (a) *Exchange of Bearer Notes*

Subject as provided in Condition 2(f), Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes of the Specified Denomination at the request in writing of the relevant Noteholder and upon surrender of each Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where a Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 8(b)(ii)) for any payment of interest, the Coupon and Talon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination.

### (b) *Transfer of Registered Notes*

A Registered Note may be transferred in whole or in part in the Specified Denomination upon the surrender of the Individual Certificate representing such Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a holding of Registered Notes represented by one Individual Certificate, a new Individual Certificate in respect of the balance not transferred will be issued to the transferor. A transfer of a Registered Note shall be completed by the recording of the holding of such Registered Notes in the Register. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

### (c) *Exercise of Options or Partial Redemption in respect of Registered Notes*

In the case of an exercise of an Issuer’s or Noteholder’s option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Individual Certificate, a new Individual Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Individual Certificates shall be

issued in respect of those Notes of that holding that have the same terms. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Individual Certificate representing the enlarged holding shall only be issued against surrender of the Individual Certificate representing the existing holding.

(d) *Delivery of new Individual Certificates*

Each new Individual Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of a duly completed request for exchange or form of transfer or Exercise Notice (as defined in Condition 7(g)) or the surrender of the Certificate for exchange together with satisfaction of any other requirements imposed by these Conditions. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Individual Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Individual Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/ or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets set the payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange free of charge*

Exchange and transfer of Notes or Individual Certificates on registration or transfer or exercise of an option or partial redemption will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect of) any tax, duty or other governmental charges which may be imposed in relation to such registration or transfer.

(f) *Closed periods*

No Noteholder may require the transfer of a Registered Note to be registered or a Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days ending on the due date for any payment of principal on that Note, (ii) during the period of 15 days prior to any date on which Notes may be drawn for redemption by the Issuer at its option pursuant to Condition 7(f), (iii) after any such Note has been drawn for redemption in whole or in part or (iv) during the period of seven days ending on (and including) any Record Date. A Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Individual Certificate is simultaneously surrendered not later than the relevant Record Date.



### 3. Status

#### (a) *General Short, General Long and Specific Series of Notes*

Each Series of Notes shall be designated in the relevant Final Terms or Series Offering Document, as applicable, as either a “**General Short**” Series of Notes or a “**General Long**” Series of Notes or a “**Specific**” Series of Notes. Conditions 4A and 9A shall apply to each Series of Notes designated in the relevant Final Terms or Series Offering Document, as applicable, as a General Short Series. Conditions 4B and 9B shall apply to each Series of Notes designated in the relevant Final Terms or Series Offering Document, as applicable, as a General Long Series. Conditions 4C and 9C shall apply to each Series of Notes designated in the relevant Final Terms or Series Offering Document, as applicable, as a Specific Series.

#### (b) *Senior Notes*

This Condition 3(b) is applicable only in relation to Notes specified in the applicable Final Terms or Series Offering Document, as applicable, as being senior (“**Senior Notes**”). The Senior Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) of each General Short Series (in the case of Senior Notes of a General Short Series) or of each General Long Series (in the case of Senior Notes of a General Long Series) or of the relevant Specific Series (in the case of Senior Notes of a Specific Series). In order to meet its payment obligations under the Senior Notes and Coupons, the Issuer must rely solely upon payments received out of the relevant Charged Assets and/or any relevant Swap Agreements. Therefore, the holders of Senior Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4A, 4B or 4C, as applicable.

#### (c) *Class A Mezzanine Notes*

This Condition 3(c) is applicable only in relation to Notes specified in the applicable Final Terms or Series Offering Document, as applicable, as being class A mezzanine (“**Class A Mezzanine Notes**”). The Class A Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) of each General Short Series (in the case of Class A Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class A Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class A Mezzanine Notes of a Specific Series) but junior to any Senior Notes of each General Short Series (in the case of Class A Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class A Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class A Mezzanine Notes of a Specific Series). In order to meet its payment obligations under the Class A Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the relevant Charged Assets and/or any relevant Swap Agreements. Therefore, the holders of Class A Mezzanine Notes and Coupons must rely on the proceeds of such payments to be

applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4A, 4B or 4C, as applicable.

(d) *Class B Mezzanine Notes*

This Condition 3(d) is applicable only in relation to Notes specified in the applicable Final Terms or Series Offering Document, as applicable, as being class B mezzanine ("**Class B Mezzanine Notes**"). The Class B Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) of each General Short Series (in the case of Class B Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class B Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class B Mezzanine Notes of a Specific Series) but junior to any Senior Notes or Class A Mezzanine Notes of each General Short Series (in the case of Class B Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class B Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class B Mezzanine Notes of a Specific Series). In order to meet its payment obligations under the Class B Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the relevant Charged Assets and/or any relevant Swap Agreements. Therefore, the holders of Class B Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4A, 4B or 4C, as applicable.

(e) *Class C Mezzanine Notes*

This Condition 3(e) is applicable only in relation to Notes specified in the applicable Final Terms or Series Offering Document, as applicable, as being class C mezzanine ("**Class C Mezzanine Notes**"). The Class C Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) of each General Short Series (in the case of Class C Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class C Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class C Mezzanine Notes of a Specific Series) but junior to any Senior Notes, Class A Mezzanine Notes or Class B Mezzanine Notes of each General Short Series (in the case of Class C Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class C Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class C Mezzanine Notes of a Specific Series). In order to meet its payment obligations under the Class C Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the relevant Charged Assets and/or any relevant Swap Agreements. Therefore, the holders of Class C Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4A, 4B or 4C, as applicable.

(f) *Class D Mezzanine Notes*

This Condition 3(f) is applicable only in relation to Notes specified in the applicable Final Terms or Series Offering Document, as applicable, as being class D mezzanine

("Class D Mezzanine Notes"). The Class D Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) of each General Short Series (in the case of Class D Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class D Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class D Mezzanine Notes of a Specific Series) but junior to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes or Class C Mezzanine Notes of each General Short Series (in the case of Class D Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class D Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class D Mezzanine Notes of a Specific Series). In order to meet its payment obligations under the Class D Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the relevant Charged Assets and/or any relevant Swap Agreements. Therefore, the holders of Class D Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4A, 4B or 4C, as applicable.

(g) *Class E Mezzanine Notes*

This Condition 3(g) is applicable only in relation to Notes specified in the applicable Final Terms or Series Offering Document, as applicable, as being class E mezzanine ("Class E Mezzanine Notes"). The Class E Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) of each General Short Series (in the case of Class E Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class E Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class E Mezzanine Notes of a Specific Series) but junior to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes or Class D Mezzanine Notes of each General Short Series (in the case of Class E Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class E Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class E Mezzanine Notes of a Specific Series). In order to meet its payment obligations under the Class E Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the relevant Charged Assets and/or any relevant Swap Agreements. Therefore, the holders of Class E Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4A, 4B or 4C, as applicable.

(h) *Class F Mezzanine Notes*

This Condition 3(h) is applicable only in relation to Notes specified in the applicable Final Terms or Series Offering Document, as applicable, as being class F mezzanine ("Class F Mezzanine Notes"). The Class F Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) of each General Short Series (in the case of Class F Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class F Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the

case of Class F Mezzanine Notes of a Specific Series) but junior to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes or Class E Mezzanine Notes of each General Short Series (in the case of Class F Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class F Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class F Mezzanine Notes of a Specific Series). In order to meet its payment obligations under the Class F Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the relevant Charged Assets and/or any relevant Swap Agreements. Therefore, the holders of Class F Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4A, 4B or 4C, as applicable.

(i) *Class G Mezzanine Notes*

This Condition 3(i) is applicable only in relation to Notes specified in the applicable Final Terms or Series Offering Document, as applicable, as being class G mezzanine ("**Class G Mezzanine Notes**"). The Class G Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class H Mezzanine Notes and Subordinated Notes (each as defined below) of each General Short Series (in the case of Class G Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class G Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class G Mezzanine Notes of a Specific Series) but junior to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes or Class F Mezzanine Notes of each General Short Series (in the case of Class G Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class G Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class G Mezzanine Notes of a Specific Series). In order to meet its payment obligations under the Class G Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the relevant Charged Assets and/or any relevant Swap Agreements. Therefore, the holders of Class G Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4A, 4B or 4C, as applicable.

(j) *Class H Mezzanine Notes*

This Condition 3(j) is applicable only in relation to Notes specified in the applicable Final Terms or Series Offering Document, as applicable, as being class H mezzanine ("**Class H Mezzanine Notes**"). The Class H Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Subordinated Notes (as defined below) of each General Short Series (in the case of Class H Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class H Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class H Mezzanine Notes of a Specific Series) but junior to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes or Class G Mezzanine Notes of each General Short Series (in the case of Class H Mezzanine Notes of a General Short Series) or of each General Long Series (in the case of Class H Mezzanine Notes of a General Long Series) or of the relevant Specific Series (in the case of Class H Mezzanine Notes of a Specific Series). In order to meet its payment obligations under the Class H Mezzanine Notes and

Coupons, the Issuer must rely solely upon payments received out of the relevant Charged Assets and/or any relevant Swap Agreements. Therefore, the holders of Class H Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4A, 4B or 4C, as applicable.

(k) *Subordinated Notes*

This Condition 3(k) is applicable only in relation to Notes specified in the applicable Final Terms or Series Offering Document, as applicable, as being subordinated ("**Subordinated Notes**"). The Subordinated Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and subordinate to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes and Class H Mezzanine Notes of each General Short Series (in the case of Subordinated Notes of a General Short Series) or of each General Long Series (in the case of Subordinated Notes of a General Long Series) or of the relevant Specific Series (in the case of Subordinated Notes of a Specific Series). In order to meet its payment obligations under the Subordinated Notes and Coupons, the Issuer must rely solely upon payments received out of the relevant Charged Assets and/or any relevant Swap Agreements. Therefore, the holders of Subordinated Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4A, 4B or 4C, as applicable.

4. **Security**

Condition 4A shall apply to each General Short Series, save to the extent modified or replaced by the relevant Series Offering Document, if any. Condition 4B shall apply to each General Long Series, save to the extent modified or replaced by the relevant Series Offering Document, if any. Condition 4C shall apply to each Specific Series save to the extent modified or replaced by the relevant Series Offering Document and/or Supplemental Trust Deed.

4A. **General Short Security**

(a) *Security for General Short Series*

The obligations of the Issuer to the General Short Secured Parties (as defined in the Master Trust Deed) are secured by the following security interests (subject as provided below, the "**General Short Security**") granted in favour of the Trustee (for itself and the other General Short Secured Parties):

(i) pursuant to the Master Trust Deed:

- (A) a first fixed charge of all of the Issuer's right, title, interest and benefit, present and future, in, to and under the General Short Custody Account and all General Eligible Assets now or at any time hereafter standing to the credit thereof and any General Eligible Assets held outside the General Short Custody Account for any reason and which are designated by the Issuer (and notified to the Trustee) as being comprised in the General Short Portfolio;

- (B) a first fixed charge of all of the Issuer's right, title, interest and benefit, present and future, in, to and under all rights, moneys, powers, securities and property whatsoever, which may from time to time and at any time be distributed or derived from or accrue on or relate to, the General Eligible Assets credited to the General Short Custody Account and/or the General Short Custody Account and/or the General Eligible Assets held outside the General Short Custody Account for any reason and which are designated by the Issuer and the Trustee as being comprised in the General Short Portfolio, in any way whatsoever, including, without limitation, all rights to the delivery thereof or to an equivalent number or nominal value thereof as against any applicable clearing system or the operator thereof or as against any bank, broker or other intermediary and all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder and also including, without limitation, all rights to serve notices and/or make demands and/or otherwise act thereunder and pursuant thereto and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;
  - (C) a first fixed charge of all of the Issuer's right, title, interest and benefit, present and future, in, to and under the General Short Cash Account and all monies now or at any time hereafter standing to the credit thereof and all entitlements to interest and other rights and benefits accruing thereto or arising in connection therewith; and
  - (D) a first fixed charge and assignment of all of the Issuer's right, title, interest and benefit, present and future in, to and under the Programme Documents (other than the Trust Deed and the General Pledge Agreement) in so far as they relate to each General Short Series and all other contracts, agreements, deeds and documents, present and future, to which the Issuer is or may become a party pursuant to the provisions of the Programme Documents (including, for the avoidance of doubt, any agreement entered into by the Issuer as a replacement of any of the above agreements upon the termination of such agreement) in so far as they relate to each General Short Series, including all rights to receive payment of any amounts payable or which may become payable or be distributed to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;
- (ii) pursuant to the Belgian law pledge agreement made originally on 21 September 2006 between the Issuer as Pledgor, the Trustee as Pledgee, the Custodian and the Portfolio Manager and amended and restated on 3 July 2013 (the "**General Pledge Agreement**"):
  - (A) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all the Issuer's present and future claims by reason of funds on the General Short Cash Account;

- (B) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all securities which are at present or will in the future be credited to the General Short Custody Account;
  - (C) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all present and future rights (including, but not limited to rights for payment of dividends, interest, principal) attaching to, and all monies payable in respect of, or derived from, the securities referred to in (B) above;
  - (D) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all rights, benefits and proceeds coming in substitution of the securities referred to in (B) above whether by way of redemption, substitution, real subrogation, conversion, split, reverse split or otherwise and including any money received from the sale of subscription rights or other rights attached to these securities as well as all securities the Issuer acquires as a result of a merger, splitting, amalgamation, contribution of a complete entity or business division in respect of an issuer of securities in the General Short Custody Account; and
- (iii) pursuant to a security agreement to be entered into between the Issuer and the Trustee (in form and substance satisfactory to the Trustee) a first ranking security interest over any General Short Portfolio Cash Collateral Account and General Short Portfolio Reinvestment Collateral Account opened by the Issuer with an Agent and in each case all cash and securities credited thereto.

The assets described above are together referred to herein as the “**General Short Charged Assets**”.

The General Short Charged Assets in respect of the Notes of any General Short Series shall also constitute the General Short Charged Assets in respect of each other General Short Series of Notes of the Issuer which are outstanding. Consequently, the Trustee shall hold the General Short Security for the benefit of, *inter alios*, the Noteholders of any General Short Series and the holders of the Notes of each other General Short Series which are outstanding.

(b) *Application of Proceeds of General Short Security*

The Master Trust Deed requires that the net proceeds of the General Short Security, upon realisation thereof, be applied as set out below:

- (i) first, to pay on a *pro rata* and *pari passu* basis, any remuneration then due to any receiver and all amounts due in respect of legal fees and other costs, charges, liabilities, losses, damages, proceedings, claims and demands then incurred by any receiver together with interest thereon and to pay the fees, costs, expenses and liabilities due to the Trustee in respect of its functions under the Master Trust Deed in relation to any General Short Series;
- (ii) second, to pay the Relevant Proportion (within the meaning of the Master Definitions and Common Terms Agreement) of any due but unpaid General Administrative Expenses (as defined in the Master Definitions and Common Terms Agreement) attributable to the General Short Series in relation to each item thereof, on a *pro rata* and *pari passu* basis;

- (iii) third, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Senior Notes of each General Short Series;
- (iv) fourth, to pay, on a *pro rata* and *pari passu* basis, all amounts of principal due thereon until redemption in full of the Senior Notes of each General Short Series;
- (v) fifth, to pay, on a *pro rata* and *pari passu* basis, any amounts due and payable to each Swap Counterparty under any General Short Swap Agreements, other than any Swap Subordinated Amounts (as defined in the Master Definitions and Common Terms Agreement);
- (vi) sixth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class A Mezzanine Notes of each General Short Series;
- (vii) seventh, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class A Mezzanine Notes of each General Short Series;
- (viii) eighth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class B Mezzanine Notes of each General Short Series;
- (ix) ninth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class B Mezzanine Notes of each General Short Series;
- (x) tenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class C Mezzanine Notes of each General Short Series;
- (xi) eleventh, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class C Mezzanine Notes of each General Short Series;
- (xii) twelfth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class D Mezzanine Notes of each General Short Series;
- (xiii) thirteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class D Mezzanine Notes of each General Short Series;
- (xiv) fourteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class E Mezzanine Notes of each General Short Series;
- (xv) fifteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class E Mezzanine Notes of each General Short Series;
- (xvi) sixteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class F Mezzanine Notes of each General Short Series;



- (xvii) seventeenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class F Mezzanine Notes of each General Short Series;
- (xviii) eighteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class G Mezzanine Notes of each General Short Series;
- (xix) nineteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Notes of the Class G Mezzanine Notes of each General Short Series;
- (xx) twentieth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class H Mezzanine Notes of each General Short Series;
- (xxi) twenty-first, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class H Mezzanine Notes of each General Short Series;
- (xxii) twenty-second, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Subordinated Notes of each General Short Series;
- (xxiii) twenty-third, to pay, on a *pro rata* and *pari passu* basis, all amounts of principal due thereon until redemption in full of the Subordinated Notes of each General Short Series;
- (xxiv) twenty-fourth, to pay, on a *pro rata* and *pari passu* basis, any other amounts due to any General Short Secured Party under or in connection with the Programme Documents, other than any Swap Subordinated Amounts;
- (xxv) twenty-fifth, to pay, on a *pro rata* and *pari passu* basis, any Swap Subordinated Amounts due and payable to any Swap Counterparty under any General Short Swap Agreements; and
- (xxvi) twenty-sixth, to pay the balance (if any) to the Issuer.

(c) *Realisation of General Short Security*

In the event of any of the General Short Security becoming enforceable (as described below), the Trustee may at its discretion and:

- (i) if requested in writing by the holders of at least one-fifth in aggregate principal amount of the Notes of all General Short Series then outstanding (as defined in the Trust Deed); or
- (ii) if directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders of all General Short Series,

(whichever shall be the first request or direction to be received by the Trustee) shall, in each such case subject to the Trustee first being indemnified and/or pre-funded and/or secured to its satisfaction, enforce the General Short Security in accordance with the Trust Deed, but without any liability as to the consequence of such action and without having regard to the effect of such action on individual Noteholders or

Couponholders and provided that the Trustee shall not be required to take any action that would involve any personal liability or expense without first being indemnified and/or secured and/or pre-funded to its satisfaction.

The General Short Security shall become enforceable upon the occurrence of a General Short Event of Default (described in Condition 9A) which is continuing.

(d) *Shortfall after Application of Proceeds of General Short Security*

The Issuer may not have sufficient funds to make all payments due in respect of the General Short Series of Notes and (if applicable) Coupons.

If the net proceeds of the General Short Security upon realisation and application thereof in accordance with this Condition 4A and the Trust Deed are not sufficient to make all payments due in respect of the Notes and Coupons (if any) of each General Short Series, the obligations of the Issuer in respect of the Notes and Coupons (if any) of each General Short Series will be limited to such net proceeds and no other assets of the Issuer will be available for any further payments in respect of the Notes and Coupons (if any) of each General Short Series. Claims in respect of any difference between the amount of the net proceeds of the General Short Security after enforcement thereof and the amount which would otherwise have been payable under the Notes and Coupons (if any) of any General Short Series (a “**shortfall**”) shall be extinguished and failure to make any payment in respect of any such shortfall shall in no circumstances constitute a General Short Event of Default. Any such shortfall shall be borne by the Noteholders and Couponholders of each relevant General Short Series on a *pro rata* basis. In such circumstances the Noteholders of any General Short Series will not have any right to take any further action against the Issuer in respect of the shortfall.

4B. **General Long Security**

(a) Security for General Long Series

The obligations of the Issuer to the General Long Secured Parties (as defined in the Master Trust Deed) are secured by the following security interests (subject as provided below, the “**General Long Security**” and, together with the General Short Security, the “**General Security**”) granted in favour of the Trustee (for itself and the other General Long Secured Parties):

(i) pursuant to the Master Trust Deed:

- (A) a first fixed charge of all of the Issuer’s right, title, interest and benefit, present and future, in, to and under the General Long Custody Account and all General Eligible Assets now or at any time hereafter standing to the credit thereof and any General Eligible Assets held outside the General Long Custody Account for any reason and which are designated by the Issuer (and notified to the Trustee) as being comprised in the General Long Portfolio;
- (B) a first fixed charge of all of the Issuer’s right, title, interest and benefit, present and future, in, to and under all rights, moneys, powers, securities and property whatsoever, which may from time to time and at any time be distributed or derived from or accrue on or relate to, the General Eligible Assets credited to the General Long Custody Account and/or the General Long Custody Account and/or

the General Eligible Assets held outside the General Long Custody Account for any reason and which are designated by the Issuer and the Trustee as being comprised in the General Long Portfolio, in any way whatsoever, including, without limitation, all rights to the delivery thereof or to an equivalent number or nominal value thereof as against any applicable clearing system or the operator thereof or as against any bank, broker or other intermediary and all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder and also including, without limitation, all rights to serve notices and/or make demands and/or otherwise act thereunder and pursuant thereto and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;

- (C) a first fixed charge of all of the Issuer's right, title, interest and benefit, present and future, in, to and under the General Long Cash Account and all monies now or at any time hereafter standing to the credit thereof and all entitlements to interest and other rights and benefits accruing thereto or arising in connection therewith; and
  - (D) a first fixed charge and assignment of all of the Issuer's right, title, interest and benefit, present and future in, to and under the Programme Documents (other than the Trust Deed and the General Pledge Agreement) in so far as they relate to each General Long Series and all other contracts, agreements, deeds and documents, present and future, to which the Issuer is or may become a party pursuant to the provisions of the Programme Documents (including, for the avoidance of doubt, any agreement entered into by the Issuer as a replacement of any of the above agreements upon the termination of such agreement) in so far as they relate to each General Long Series, including all rights to receive payment of any amounts payable or which may become payable or be distributed to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;
- (ii) pursuant to the General Pledge Agreement (as defined at Condition 4A(a)(ii) above):
- (A) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all the Issuer's present and future claims by reason of funds on the General Long Cash Account;
  - (B) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all securities which are at present or will in the future be credited to the General Long Custody Account;
  - (C) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all present and future rights (including, but not limited to rights for payment of dividends, interest, principal) attaching to, and all

monies payable in respect of, or derived from, the securities referred to in (B) above;

- (D) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all rights, benefits and proceeds coming in substitution of the securities referred to in (B) above whether by way of redemption, substitution, real subrogation, conversion, split, reverse split or otherwise and including any money received from the sale of subscription rights or other rights attached to these securities as well as all securities the Issuer acquires as a result of a merger, splitting, amalgamation, contribution of a complete entity or business division in respect of an issuer of securities in the General Long Custody Account; and
- (iii) pursuant to a security agreement to be entered into between the Issuer and the Trustee (in form and substance satisfactory to the Trustee) a first ranking security interest over any General Long Portfolio Cash Collateral Account and General Long Portfolio Reinvestment Collateral Account opened by the Issuer with an Agent and in each case all cash and securities credited thereto.

The assets described above are together referred to herein as the “**General Long Charged Assets**” and, together with the General Short Charged Assets, as the “**General Charged Assets**”.

The General Long Charged Assets in respect of the Notes of any General Long Series shall also constitute the General Long Charged Assets in respect of each other General Long Series of Notes of the Issuer which are outstanding. Consequently, the Trustee shall hold the General Long Security for the benefit of, *inter alios*, the Noteholders of any General Long Series and the holders of the Notes of each other General Long Series which are outstanding.

(b) *Application of Proceeds of General Long Security*

The Master Trust Deed requires that the net proceeds of the General Long Security, upon realisation thereof, be applied as set out below:

- (i) first, to pay on a *pro rata* and *pari passu* basis, any remuneration then due to any receiver and all amounts due in respect of legal fees and other costs, charges, liabilities, losses, damages, proceedings, claims and demands then incurred by any receiver together with interest thereon and to pay the fees, costs, expenses and liabilities due to the Trustee in respect of its functions under the Master Trust Deed in relation to any General Long Series;
- (ii) second, to pay the Relevant Proportion (as defined in the Master Definitions and Common Terms Agreement) of any due but unpaid General Administrative Expenses (as defined in the Master Definitions and Common Terms Agreement) attributable to the General Long Series in relation to each item thereof, on a *pro rata* and *pari passu* basis;
- (iii) third, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Senior Notes of each General Long Series;
- (iv) fourth, to pay, on a *pro rata* and *pari passu* basis, all amounts of principal due thereon until redemption in full of the Senior Notes of each General Long Series;

- (v) fifth, to pay, on a *pro rata* and *pari passu* basis, any amounts due and payable to each Swap Counterparty under any General Long Swap Agreements, other than any Swap Subordinated Amounts (as defined in the Master Definitions and Common Terms Agreement);
- (vi) sixth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class A Mezzanine Notes of each General Long Series;
- (vii) seventh, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class A Mezzanine Notes of each General Long Series;
- (viii) eighth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class B Mezzanine Notes of each General Long Series;
- (ix) ninth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class B Mezzanine Notes of each General Long Series;
- (x) tenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class C Mezzanine Notes of each General Long Series;
- (xi) eleventh, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class C Mezzanine Notes of each General Long Series;
- (xii) twelfth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class D Mezzanine Notes of each General Long Series;
- (xiii) thirteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class D Mezzanine Notes of each General Long Series;
- (xiv) fourteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class E Mezzanine Notes of each General Long Series;
- (xv) fifteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class E Mezzanine Notes of each General Long Series;
- (xvi) sixteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class F Mezzanine Notes of each General Long Series;
- (xvii) seventeenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class F Mezzanine Notes of each General Long Series;

- (xviii) eighteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class G Mezzanine Notes of each General Long Series;
- (xix) nineteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Notes of the Class G Mezzanine Notes of each General Long Series;
- (xx) twentieth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class H Mezzanine Notes of each General Long Series;
- (xxi) twenty-first, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class H Mezzanine Notes of each General Long Series;
- (xxii) twenty-second, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Subordinated Notes of each General Long Series;
- (xxiii) twenty-third, to pay, on a *pro rata* and *pari passu* basis, all amounts of principal due thereon until redemption in full of the Subordinated Notes of each General Long Series;
- (xxiv) twenty-fourth, to pay, on a *pro rata* and *pari passu* basis, any other amounts due to any General Long Secured Party under or in connection with the Programme Documents, other than any Swap Subordinated Amounts;
- (xxv) twenty-fifth, to pay, on a *pro rata* and *pari passu* basis, any Swap Subordinated Amounts due and payable to any Swap Counterparty under any General Long Swap Agreements; and
- (xxvi) twenty-sixth, to pay the balance (if any) to the Issuer.

(c) *Realisation of General Long Security*

In the event of any of the General Long Security becoming enforceable (as described below), the Trustee may at its discretion and:

- (i) if requested in writing by the holders of at least one-fifth in aggregate principal amount of the Notes of all General Long Series then outstanding (as defined in the Trust Deed); or
- (ii) if directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders of all General Long Series,

(whichever shall be the first request or direction to be received by the Trustee) shall, in each such case subject to the Trustee first being indemnified and/or pre-funded and/or secured to its satisfaction, enforce the General Long Security in accordance with the Trust Deed, but without any liability as to the consequence of such action and without having regard to the effect of such action on individual Noteholders or Couponholders and provided that the Trustee shall not be required to take any action that would involve any personal liability or expense without first being indemnified and/or secured and/or pre-funded to its satisfaction.

The General Long Security shall become enforceable upon the occurrence of a General Long Event of Default (described in Condition 9B) which is continuing.

(d) *Shortfall after Application of Proceeds of General Long Security*

The Issuer may not have sufficient funds to make all payments due in respect of the General Long Series of Notes and (if applicable) Coupons.

If the net proceeds of the General Long Security upon realisation and application thereof in accordance with this Condition 4B and the Trust Deed are not sufficient to make all payments due in respect of the Notes and Coupons (if any) of each General Long Series, the obligations of the Issuer in respect of the Notes and Coupons (if any) of each General Long Series will be limited to such net proceeds and no other assets of the Issuer will be available for any further payments in respect of the Notes and Coupons (if any) of each General Long Series. Claims in respect of any difference between the amount of the net proceeds of the General Long Security after enforcement thereof and the amount which would otherwise have been payable under the Notes and Coupons (if any) of any General Long Series (a “**shortfall**”) shall be extinguished and failure to make any payment in respect of any such shortfall shall in no circumstances constitute a General Long Event of Default. Any such shortfall shall be borne by the Noteholders and Couponholders of each relevant General Long Series on a *pro rata* basis. In such circumstances the Noteholders of any General Long Series will not have any right to take any further action against the Issuer in respect of the shortfall.

4C. **Specific Security**

(a) **Security for Specific Series**

The Notes of each Specific Series shall be secured pursuant to the Supplemental Trust Deed applicable to such Specific Series and/or a Belgian law pledge made between, *inter alios*, the Issuer as pledgor, the Trustee as pledgee and the Custodian (each a “**Specific Pledge Agreement**”) and/or a Specific Portfolio Collateral Pledge. The security so granted is referred to as the “**Specific Security**” with respect to the relevant Specific Series and the assets over which the Specific Security is granted are referred to as the “**Specific Charged Assets**” with respect to the relevant Specific Series. The Specific Security with respect to a Specific Series may include the following security interests granted in favour of the Trustee:

- (i) a charge and/or assignment and/or pledge of all of the Issuer’s right, title, interest and benefit, present and future, in, to and under the custody account (the “**Specific Custody Account**”) maintained by the Custodian on behalf of the Issuer to which those Specific Eligible Assets acquired by the Issuer with all or part of the proceeds of the Notes of the relevant Specific Series being securities, and any replacement Specific Eligible Assets being securities, are credited, and all Specific Eligible Assets at any time standing to the credit thereof;
- (ii) a charge and/or assignment and/or pledge of all of the Issuer’s right, title, interest and benefit, present and future, in, to and under the cash account (the “**Specific Cash Account**”) maintained by the Custodian on behalf of the Issuer to which any cash received by the Issuer in connection with the Specific Secured Assets is credited and all monies at any time standing to the credit thereof and all entitlements to interest and other rights and benefits accruing thereto or arising in connection therewith;

- (iii) an assignment of all of the Issuer's right, title, interest and benefit, present and future in, to and under the relevant Specific Swap Agreement (if any), the Agency Agreement to the extent that it relates to the Notes of the relevant Specific Series, the Portfolio Management Agreement to the extent that it relates to the Notes of the relevant Specific Series and any other document entered into by the Issuer in connection with the Notes of the relevant Specific Series (together, the "**Specific Series Documents**") (other than the Supplemental Trust Deed and Specific Pledge Agreement) and all other contracts, agreements, deeds and documents, present and future, to which the Issuer is or may become a party pursuant to the provisions of the relevant Specific Series Documents (including, for the avoidance of doubt, any agreement entered into by the Issuer as a replacement of any of such agreements upon the termination of such agreement), including all rights to receive payment of any amounts payable or which may become payable or be distributed to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof; and
- (iv) a charge and/or pledge (a "**Specific Portfolio Collateral Pledge**") of all of the Issuer's right, title, interest and benefit, present and future, in, to and under any Specific Portfolio Cash Collateral Account and Specific Portfolio Reinvestment Collateral Account opened by the Issuer with an Agent in connection with the Notes of the relevant Specific Series and the Specific Eligible Assets acquired by the Issuer with all or part of the proceeds of the issue of such Notes and in each case all cash and securities credited thereto.

The Specific Charged Assets for each Specific Series are referred to herein together with the General Charged Assets, as the "**Charged Assets**" of the Issuer. The Specific Security for each Specific Series is referred to herein together with the General Security as the "**Security**" granted by the Issuer.

(b) *Application of Proceeds of Specific Security*

The Trustee shall (subject to the provisions of the relevant Supplemental Trust Deed) apply all moneys received by it under the provisions of the applicable Supplemental Trust Deed and the Specific Pledge Agreement in connection with the realisation or enforcement of the Specific Security in connection with a Specific Series of Notes in the following order of priority:

- (i) first, to pay on a *pro rata* and *pari passu* basis, any remuneration then due to any receiver and all amounts due in respect of legal fees and other costs, charges, liabilities, losses, damages, proceedings, claims and demands then incurred by any receiver together with interest thereon and to pay the fees, costs, expenses and liabilities due to the Trustee in respect of its functions under the Trust Deed in relation to the relevant Specific Series;
- (ii) second, to pay any due but unpaid Specific Administrative Expenses (as defined in the Master Definitions and Common Terms Agreement) incurred directly in connection with the relevant Specific Series in relation to each item thereof, on a *pro rata* and *pari passu* basis;



- (iii) third, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Senior Notes of the relevant Specific Series;
- (iv) fourth, to pay, on a *pro rata* and *pari passu* basis, all amounts of principal due thereon until redemption in full of the Senior Notes of the relevant Specific Series;
- (v) fifth, to pay, on a *pro rata* and *pari passu* basis, any amounts due and payable to each Swap Counterparty under any Specific Swap Agreements relating to the relevant Specific Series, other than any Swap Subordinated Amounts (as defined in the Master Definitions and Common Terms Agreement);
- (vi) sixth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class A Mezzanine Notes of the relevant Specific Series;
- (vii) seventh, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class A Mezzanine Notes of the relevant Specific Series;
- (viii) eighth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class B Mezzanine Notes of the relevant Specific Series;
- (ix) ninth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class B Mezzanine Notes of each the relevant Specific Series;
- (x) tenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class C Mezzanine Notes of the relevant Specific Series;
- (xi) eleventh, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class C Mezzanine Notes of the relevant Specific Series;
- (xii) twelfth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class D Mezzanine Notes of the relevant Specific Series;
- (xiii) thirteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class D Mezzanine Notes of the relevant Specific Series;
- (xiv) fourteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class E Mezzanine Notes of the relevant Specific Series;
- (xv) fifteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class E Mezzanine Notes of the relevant Specific Series;
- (xvi) sixteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class F Mezzanine Notes of the relevant Specific Series;

- (xvii) seventeenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class F Mezzanine Notes of the relevant Specific Series;
- (xviii) eighteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class G Mezzanine Notes of the relevant Specific Series;
- (xix) nineteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class G Mezzanine Notes of the relevant Specific Series;
- (xx) twentieth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Class H Mezzanine Notes of the relevant Specific Series;
- (xxi) twenty-first, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Class H Mezzanine Notes of the relevant Specific Series;
- (xxii) twenty-second, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of the Subordinated Notes of the relevant Specific Series;
- (xxiii) twenty-third, to pay, on a *pro rata* and *pari passu* basis, all amounts of principal due thereon until redemption in full of the Subordinated Notes of the relevant Specific Series;
- (xxiv) twenty-fourth, to pay, on a *pro rata* and *pari passu* basis, any other amounts due to any Specific Secured Party under or in connection with the relevant Specific Series Documents, other than any Swap Subordinated Amounts;
- (xxv) twenty-fifth, to pay, on a *pro rata* and *pari passu* basis, any Swap Subordinated Amounts due and payable to any Swap Counterparty under any Specific Swap Agreements related to the relevant Specific Series; and
- (xxvi) twenty-sixth, to pay the balance (if any) to the Issuer.

(c) *Realisation of Specific Security*

In the event of any of the Specific Security for a Specific Series becoming enforceable (as described below), the Trustee may at its discretion and:

- (i) if requested in writing by the holders of at least one-fifth in aggregate principal amount of the Notes of the relevant Specific Series then outstanding (as defined in the Trust Deed); or
- (ii) if directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders of the relevant Specific Series,

(whichever shall be the first request or direction to be received by the Trustee) shall, in each such case subject to the Trustee first being indemnified and/or secured and/or pre-funded to its satisfaction, enforce the Specific Security granted in respect of the relevant Specific Series in accordance with the relevant Supplemental Trust Deed and Specific Pledge Agreement, but without any liability as to the consequence

of such action and without having regard to the effect of such action on individual Noteholders or Couponholders and provided that the Trustee shall not be required to take any action that would involve any personal liability or expense without first being indemnified and/or secured and/or pre-funded to its satisfaction.

The Specific Security in respect of a Specific Series shall become enforceable upon the occurrence of a Specific Event of Default with respect to such Specific Series (described in Condition 9C) which is continuing, or (ii) in any other circumstances detailed in the relevant Supplemental Trust Deed and/or Specific Pledge Agreement.

(d) *Shortfall after Application of Proceeds of Specific Security*

The Issuer may not have sufficient funds to make all payments due in respect of any Specific Series of Notes and (if applicable) related Coupons.

If the net proceeds of any Specific Security upon realisation and application thereof in accordance with this Condition 4C and the relevant Supplemental Trust Deed are not sufficient to make all payments due in respect of the Notes and Coupons (if any) of the relevant Specific Series, the obligations of the Issuer in respect of the Notes and Coupons (if any) of the relevant Specific Series will be limited to such net proceeds and no other assets of the Issuer will be available for any further payments in respect of the Notes and Coupons (if any) of the relevant Specific Series. Claims in respect of any difference between the amount of the net proceeds of the relevant Specific Security after enforcement thereof and the amount which would otherwise have been payable under the Notes and Coupons (if any) of the relevant Specific Series (a “**shortfall**”) shall be extinguished and failure to make any payment in respect of any such shortfall shall in no circumstances constitute a Specific Event of Default with respect to such Specific Series. Any such shortfall shall be borne by the Noteholders and Couponholders of the relevant Specific Series on a *pro rata* basis. In such circumstances the Noteholders of the relevant Specific Series will not have any right to take any further action against the Issuer in respect of the shortfall.

5. **Restrictions**

So long as any of the Notes remain outstanding, the Issuer will not, without the consent of the Trustee, except as contemplated by these Conditions and the Programme Documents, incur any other indebtedness for borrowed moneys, engage in any business, declare any dividends, have any employees or have any subsidiaries.

6. **Interest**

(a) *Interest Rate and Accrual*

If stated in the Final Terms or Series Offering Document, as applicable, to bear interest, each Note bears interest on its principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate (which may be a specified rate or rates (if the Interest Basis is specified as “**Fixed Rate**”) or may be based on a benchmark rate in the manner specified in the relevant Final Terms or Series Offering Document, as applicable, (if the Interest Basis is specified as “**Floating Rate**”)), which may be different for different Interest Accrual Periods, or a combination thereof payable in the Relevant Currency in arrear (unless otherwise stated in the relevant Final Terms or Series Offering Document, as applicable) on each Interest Payment Date specified in the Final Terms or Series Offering Document, as applicable.

Interest will cease to accrue on each Note on the Interest Cessation Date (as defined below) unless, upon due presentation, payment of the full amount of principal due on such due date for redemption is not made, in which event interest will continue to accrue on the unpaid amount of principal (as well after as before judgment) until the Relevant Date (as defined below) at the Interest Rate determined by the Calculation Agent in the manner provided in this Condition.

(b) *Business Day Conventions*

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

(c) *Interest Rate on Floating Rate Notes*

If the Interest Rate is specified as being Floating Rate in the Final Terms or Series Offering Document, as applicable, the Interest Rate for each Interest Accrual Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (i) if the Primary Source for the Floating Rate is a Screen Page (and specified as 'Reuters' or 'Telerate' or other relevant screen page in the Final Terms or Series Offering Document, as applicable), subject as provided below, the Interest Rate shall be:
  - (A) the Relevant Rate (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
  - (B) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page;
  - (C) in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date;
- (ii) if the Primary Source for the Floating Rate is specified as 'Reference Banks' in the Final Terms or Series Offering Document, as applicable, or if subparagraph 6(c)(i)(A) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if subparagraph 6(c)(i)(B) above applies and fewer than two Relevant Rates appear on the

Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;

- (iii) if the Primary Source for the Floating Rate is specified as being 'ISDA Rate' in the Final Terms or Series Offering Document, as applicable, it shall be calculated in accordance with the definition of ISDA Rate set out below;
- (iv) if paragraph 6(c)(ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) which the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency which at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Relevant Currency or, if the Relevant Currency is Euro, in Europe as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in such Principal Financial Centre the Interest Rate shall be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum and/or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(d) *Interest Rate on Zero Coupon Notes*

As from the Maturity Date, the Interest Rate for any overdue principal in respect of a Note the Interest Rate of which is specified to be Zero Coupon shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as specified in the Final Terms or Series offering Document, as applicable).

(e) *Calculations*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding principal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period will equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(f) *Determination and Publication of Interest Rates and Interest Amounts*

As soon as practicable after the Relevant Time on each Interest Determination Date, the Calculation Agent will determine the Interest Rate and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period and cause the Interest Rate and

the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Principal Paying Agent, each of the Paying Agents, the Noteholders, the relevant Dealer (if such Dealer is not the Calculation Agent), any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, for so long as the Notes are listed on a stock exchange and the rules of such stock exchange require, such stock exchange, as soon as possible after their determination but in no event later than (except in the case of notices to the Noteholders) the commencement of the relevant Interest Period, if determined prior to such time. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no notification of the Interest Rate or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of each Interest Rate, Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Noteholders.

(g) *Determination or Calculation by Trustee*

If the Calculation Agent fails at any time for any reason to establish the Interest Rate for an Interest Accrual Period or the Interest Amount or, pursuant to Condition 7(m), any Redemption Amount, Optional Redemption Amount or Early Redemption Amount (each as defined in Condition 6(i) below) or to comply with any other requirement, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(h) *Additional Interest on General Long Series*

This Condition 6(h) shall apply only to General Long Series.

If 'Additional Interest' is specified as being applicable in the Final Terms or Series Offering Document, as applicable, on each Interest Payment Date the Issuer shall pay by way of additional interest on each Note the Additional Interest Amount in respect of such Note and such Interest Payment Date if the Portfolio Manager (acting in a commercially reasonable manner) determines that the following conditions are met (at such Interest Payment Date):

1. the mark-to-market valuation of the Notes on the immediately preceding Valuation Date as determined by the Administration Agent in accordance with the Agency Agreement is not below par;
2. payment of the Additional Interest Amount with respect to each Note will not cause the mark-to-market valuation of the Notes to drop below par; and

3. the nominal of outstanding Third Party Notes does not exceed the nominal of the assets then comprised in the General Long Portfolio.

The “Additional Interest Amount” in respect of each Note and an Interest Payment Date shall be calculated in accordance with the following formula:

$$\sum_{i=1}^{n/2} [\text{Aggregate Available Additional Interest Amount}_i / \text{Number of Third Party Notes} * u_i * v_i] * w_i$$

For such purposes:

“**n**” means the number of days in the calendar year which are Interest Payment Dates in respect of any Notes of any General Long Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable under the Programme and the last of the  $n/2$  Interest Payment Dates to be taken into account for the purpose of determining the Additional Interest Amount payable in respect of the Notes on an Interest Payment Date is the one immediately preceding such Interest Payment Date.

“**Aggregate Available Additional Interest Amount**” in respect of an Interest Payment Date means such amount as is calculated by the Issuer (or the Portfolio Manager on its behalf) as the aggregate amount of income received by the Issuer in the related Additional Interest Amount Calculation Period in respect of the General Long Portfolio of the Issuer after deducting the following amounts which the Issuer shall have paid or provided for:

- (i) the fees, costs, expenses and liabilities due to the Trustee in respect of any General Long Series during such Additional Interest Amount Calculation Period;
- (ii) the fees, costs, expenses and liabilities due to the Agents in respect of any General Long Series and the General Long Portfolio during such Additional Interest Amount Calculation Period;
- (iii) all amounts due to any Swap Counterparty under or in respect of any General Long Swap Agreement during such Additional Interest Amount Calculation Period;
- (iv) all amounts of interest due to the holders of each General Long Series during such Additional Interest Amount Calculation Period;
- (v) all amounts of principal due to the holders of each General Long Series during such Additional Interest Amount Calculation Period;
- (vi) all other amounts properly due and payable by the Issuer to any other person in connection with any each General Long Series or the General Long Portfolio during such Additional Interest Amount Calculation Period; and
- (vii) an annual profit amount of EUR1,000 to be retained by the Issuer and to be available to be distributed by it to its shareholders, subject to applicable law.

“u” means:

Aggregate principal amount of all Third Party Notes (of all General Long Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable) issued by the Issuer under the Programme in the Relevant Currency

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Aggregate principal amount of all Third Party Notes (of all General Long Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable) issued by the Issuer under the Programme

“v” means:

Aggregate principal amount of all Third Party Notes issued by the Issuer under the Programme in the Relevant Currency

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Aggregate principal amount of all Third Party Notes (of all General Long Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable) issued by the Issuer under the Programme in the Relevant Currency

“w” means the currency exchange rate applied by the Issuer (or the Portfolio Manager on its behalf) to effectively exchange EUR against the Relevant Currency.

“**Additional Interest Amount Calculation Period**” in respect of an Interest Payment Date (of the relevant Series) means the period commencing on (but excluding) the day which is two Interest Payment Dates (in respect of any General Long Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable, issued by the Issuer under the Programme) prior to the relevant Interest Payment Date (of the relevant Series) and ending on (and including) the Interest Payment Date (in respect of any General Long Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable issued by the Issuer under the Programme) falling immediately prior to the relevant Interest Payment Date (of the relevant Series).

“**Third Party Notes**” means, save to the extent provided otherwise above, those Notes of the relevant Series outstanding other than those Notes outstanding which are held by or for the benefit of the Issuer.

(i) *Additional Interest on General Short Series*

This Condition 6(i) shall apply only to General Short Series.

If ‘Additional Interest’ is specified as being applicable in the Final Terms or Series Offering Document, as applicable, on each Interest Payment Date the Issuer shall pay by way of additional interest on each Note the Additional Interest Amount in respect of such Note and such Interest Payment Date if the Portfolio Manager (acting in a commercially reasonable manner) determines that the following conditions are met (at such Interest Payment Date):

1. the mark-to-market valuation of the Notes on the immediately preceding Valuation Date as determined by the Administration Agent in accordance with the Agency Agreement is not below par;
2. payment of the Additional Interest Amount with respect to each Note will not cause the mark-to-market valuation of the Notes to drop below par; and



3. the nominal of outstanding Third Party Notes does not exceed the nominal of the assets then comprised in the General Short Portfolio.

The “Additional Interest Amount” in respect of each Note and an Interest Payment Date shall be calculated in accordance with the following formula:

$$\sum_{i=1}^{n/2} [\text{Aggregate Available Additional Interest Amount}_i / \text{Number of Third Party Notes} * u_i * v_i] * w_i$$

For such purposes:

“**n**” means the number of days in the calendar year which are Interest Payment Dates in respect of any Notes of any General Short Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable under the Programme and the last of the  $n/2$  Interest Payment Dates to be taken into account for the purpose of determining the Additional Interest Amount payable in respect of the Notes on an Interest Payment Date is the one immediately preceding such Interest Payment Date.

“**Aggregate Available Additional Interest Amount**” in respect of an Interest Payment Date means such amount as is calculated by the Issuer (or the Portfolio Manager on its behalf) as the aggregate amount of income received by the Issuer in the related Additional Interest Amount Calculation Period in respect of the General Short Portfolio of the Issuer after deducting the following amounts which the Issuer shall have paid or provided for:

- (i) the fees, costs, expenses and liabilities due to the Trustee in respect of any General Short Series during such Additional Interest Amount Calculation Period;
- (ii) the fees, costs, expenses and liabilities due to the Agents in respect of any General Short Series and the General Short Portfolio during such Additional Interest Amount Calculation Period;
- (iii) all amounts due to any Swap Counterparty under or in respect of any General Short Swap Agreement during such Additional Interest Amount Calculation Period;
- (iv) all amounts of interest due to the holders of each General Short Series during such Additional Interest Amount Calculation Period;
- (v) all amounts of principal due to the holders of each General Short Series during such Additional Interest Amount Calculation Period;
- (vi) all other amounts properly due and payable by the Issuer to any other person in connection with any each General Short Series or the General Short Portfolio during such Additional Interest Amount Calculation Period; and
- (vii) an annual profit amount of EUR1,000 to be retained by the Issuer and to be available to be distributed by it to its shareholders, subject to applicable law.

“u” means:

Aggregate principal amount of all Third Party Notes (of all General Short Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable) issued by the Issuer under the Programme in the Relevant Currency

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Aggregate principal amount of all Third Party Notes (of all General Short Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable) issued by the Issuer under the Programme

“v” means:

Aggregate principal amount of all Third Party Notes issued by the Issuer under the Programme in the Relevant Currency

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Aggregate principal amount of all Third Party Notes (of all General Short Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable) issued by the Issuer under the Programme in the Relevant Currency

“w” means the currency exchange rate applied by the Issuer (or the Portfolio Manager on its behalf) to effectively exchange EUR against the Relevant Currency.

“**Additional Interest Amount Calculation Period**” in respect of an Interest Payment Date (of the relevant Series) means the period commencing on (but excluding) the day which is two Interest Payment Dates (in respect of any General Short Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable, issued by the Issuer under the Programme) prior to the relevant Interest Payment Date (of the relevant Series) and ending on (and including) the Interest Payment Date (in respect of any General Short Series of Senior Notes, Mezzanine Notes or Subordinated Notes as applicable issued by the Issuer under the Programme) falling immediately prior to the relevant Interest Payment Date (of the relevant Series).

“**Third Party Notes**” means, save to the extent provided otherwise above, those Notes of the relevant Series outstanding other than those Notes outstanding which are held by or for the benefit of the Issuer.

(j) *Margin, Maximum/Minimum Interest Rates and Rounding*

- (i) If any Margin is specified in the Final Terms or Series Offering Document, as applicable, (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with 6(c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Interest Rate is specified in the Final Terms or Series Offering Document, as applicable, then any Interest Rate shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be

rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “unit” means, with respect to any currency, the lowest amount of such currency which is available as legal tender in the country of such currency.

(k) *Definitions*

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

“**Benchmark**” means EURIBOR, LIBOR, PRIBOR, WIBOR or BUBOR.

“**BUBOR**” means the Budapest interbank offered rate.

“**Business Day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in each of London, Brussels and Dublin and are open for general business (including dealing in foreign exchange and foreign currency deposits).

“**Clearing System**” means each of Clearstream Banking, société anonyme, Euroclear Bank S.A./N.V., as operator of the Euroclear System, or such other clearing system specified as the Clearing System for delivery of Eligible Assets in the relevant Final Terms or Series Offering Document, as applicable;

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

- (a) if “1/1” is specified, 1;
- (b) if “Actual/Actual”, “Actual/Actual (ISDA)”, “Act/Act” or “Act/Act (ISDA)” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “Actual/Actual (ICMA)” or “Act/Act (ICMA)” is specified, a fraction equal to “number of days accrued/number of days in year”, as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the “ICMA Rule Book”), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non US dollar denominated straight and convertible bonds issued after December 31, 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Calculation Period in respect of which payment is being made;
- (d) if “Actual/365 (Fixed)”, “Act/365 (Fixed)”, “A/365 (Fixed)” or “A/365F” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;

- (e) if "Actual/360", "Act/360" or "A/360" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (f) if "30/360", "360/360" or "Bond Basis" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

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

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

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

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

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

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (h) if “30E/360 (ISDA)” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30;

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

“**Early Redemption Amount**” means in respect of each Note in circumstances where such Notes are redeemed early pursuant to Conditions 7(b) or (c), the outstanding principal amount of each Note, unless otherwise specified in the Final Terms or Series Offering Document, as applicable;

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the Final Terms or Series Offering Document, as applicable, or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“**EURIBOR**” means the Euro-zone inter-bank offered rate.

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

**“Interest Cessation Date”** means the due date for redemption of the Notes or such other date which is either specified in, or determined in accordance with the provisions of, the Final Terms or Series Offering Document, as applicable.

**“Interest Commencement Date”** means the date of the issue of the Notes (the “Issue Date”) or such other date as may be specified in the Final Terms or Series Offering Document, as applicable.

**“Interest Determination Date”** means, with respect to an Interest Rate and Interest Accrual Period, the date specified as such in the Final Terms or Series Offering Document, as applicable, or, if none is so specified, (i) the first day of such Interest Accrual Period if the Relevant Currency is sterling or (ii) the day falling two Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is neither sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is euro.

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

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified in the Final Terms or Series Offering Document, as applicable.

**“Interest Rate”** means the rate of interest payable from time to time in respect of this Note and which is either specified in, or calculated in accordance with the provisions of, the Final Terms or Series Offering Document, as applicable.

**“ISDA Rate”** means, in respect of any Interest Accrual Period, the rate per annum that, in the determination of the Calculation Agent, would be the Floating Rate payable under an interest rate exchange agreement incorporating the ISDA Definitions. **“ISDA Definitions”** means the 2000 ISDA Definitions, published by the International Swaps and Derivatives Association, Inc., as amended, supplemented or restated from time to time up to the Issue Date.

**“LIBOR”** means the London inter- bank offered rate.

**“Optional Redemption Amount”** means in respect of each Note in circumstances where such Note is redeemed early pursuant to Conditions 7(f) or (g), the outstanding principal amount of such Note or if otherwise provided, the amount specified in the relevant Final Terms or Series Offering Document, as applicable.

**“PRIBOR”** means the Prague inter- bank offered rate.

**“Redemption Amount”** means in respect of each Note, the amount specified in the relevant Final Terms or Series Offering Document, as applicable, or in the absence of such specification, its outstanding principal amount.

**“Reference Banks”** means the institutions specified in the Final Terms or Series Offering Document, as applicable, or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) which is most closely connected with the Benchmark (which if EURIBOR is the relevant Benchmark, shall be Europe).

**“Register”** means the register maintained by the Registrar.

**“Relevant Business Day”** means:

(A)

- (i) in relation to any sum payable in a specified currency other than euro, a day, (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant specified currency; or
- (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (or any successor thereto) (the **“TARGET System”**) is operating (a **“TARGET Business Day”**); and

(B) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Payment Business Day Centre specified in the applicable Final Terms; and

(C) if applicable, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation of any Note or Coupon.

**“Relevant Currency”** means the currency specified as such in the Final Terms or Series Offering Document, as applicable, or, if none is specified, the currency in which the Notes are denominated.

**“Relevant Date”** means, in respect of any Note or Coupon, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note (or relative Individual Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

**“Relevant Financial Centre”** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the Final Terms or Series Offering Document, as applicable, or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of Euro shall be Europe) or, if none is so connected, London.

**“Relevant Rate”** means the Benchmark for a Representative Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

**“Relevant Time”** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the Final Terms or Series Offering Document, as applicable, or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant

Financial Centre and for this purpose “local time” means, with respect to Europe as a Relevant Financial Centre, Central European time.

“**Representative Amount**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified in the Final Terms or Series Offering Document, as applicable, or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“**Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuter Monitor Money Rates Service (“**Reuters**”) and the Bridge Telerate Service (“**Telerate**”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“**Specified Duration**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the Final Terms or Series Offering Document, as applicable, or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 6(b).

“**WIBOR**” means the Warsaw interbank offered rate.

(i) Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and the Issuer shall procure that there shall at all times be one or more Calculation Agents in either case if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Calculation Agent will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate any Interest Amount, the Redemption Amount or any Optional Redemption Amount or Early Redemption Amount or to comply with any other requirements, the Issuer shall (with the prior written approval of the Trustee) appoint the London office of a leading bank engaged in the London interbank market (or, if appropriate, money, swap or over-the-counter index options market) or other market that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

Whenever the Calculation Agent is required to act or exercise judgment, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall, as soon as practicable after making any determination pursuant to these Conditions, notify the Issuer and the Noteholders of such determination. The Calculation Agent is not acting as a fiduciary for or as an advisor to the Noteholders in respect of its duties as Calculation Agent in connection with any Notes.



The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to this Schedule shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

## **7. Redemption, Purchase and Options**

### **(a) *Final Redemption***

Unless previously redeemed, purchased and cancelled as provided below, each Note will be redeemed at its Redemption Amount on the Maturity Date specified in the relevant Final Terms or Series Offering Document, as applicable. Notes will only be redeemable or repayable in accordance with the provisions of this Condition 7 or Condition 9A, 9B or 9C, as applicable.

If Optional Maturity Date Extension is specified in the Final Terms or the Series Offering Document, as applicable, as being applicable, the Issuer shall be entitled (but not obliged) by giving notice to the Noteholders in accordance with Condition 13 no later than 10 Business Days prior to the then scheduled Maturity Date in respect of the Notes as specified in the Final Terms or the Series Offering Document, to cause the Maturity Date to be extended to the next following anniversary of the date specified in the Final Terms or the Series Offering Document as the Maturity Date, which election may be made more than once, so that the Maturity Date may (subject to notice being given to the Noteholders as aforesaid) be postponed to the then next following anniversary of the date specified in the Final Terms or the Series Offering Document as the Maturity Date on any number of occasions, and provided further that the Maturity Date shall in any event be subject to adjustment in accordance with the Business Day Convention.

If Automatic Maturity Date Extension is specified in the Final Terms or the Series Offering Document, as applicable, as being applicable, the Maturity Date shall be postponed to the then next following anniversary of the date specified in the Final Terms or the Series Offering Document as the Maturity Date, which postponement shall be repeated annually, until the Issuer, in its absolute discretion, by giving notice to the Noteholders in accordance with Condition 13 no later than 10 Business Days prior to the then scheduled Maturity Date in respect of the Notes as specified in or postponed in accordance with the Final Terms or the Series Offering Document, causes the Maturity Date to fall on either the date specified in the Final Terms or the Series Offering Document as the Maturity Date or the then next following anniversary of that date, as applicable, provided further that the Maturity Date shall in any event be subject to adjustment in accordance with the Business Day Convention.

(b) *Mandatory Redemption*

If any of the Eligible Assets purchased with the proceeds of issue of a Specific Series of Notes (as specified in the relevant Final Terms or Series Offering Document, as applicable, or Supplemental Trust Deed) becomes repayable prior to its stated date of maturity for whatever reason (unless the Trustee otherwise agrees in writing), or there is a payment default (regardless of any actual or implied grace period which may be applicable thereto) in respect of any such Eligible Assets, all such Eligible Assets (which may or may not form obligations of the same person as those which have become repayable or in respect of which there has been such a payment default) shall be deemed to have become immediately repayable (the “**Repayable Assets**”). The Issuer shall then forthwith give not more than 28 nor less than 7 days’ notice to the Trustee and the Noteholders in accordance with Condition 13 and upon expiry of such notice shall redeem each Note of the relevant Specific Series in whole or, as the case may be, in part on a pro rata basis in a proportion of its Redemption Amount equal to the proportion that the principal amount of the Repayable Assets which are the subject of such notice bears to the principal amount of all such Eligible Assets. Interest shall continue to accrue on the part of the principal amount of Notes so redeemed until payment thereof has been made to the Trustee and notice is given in accordance with Condition 13 that such amount is available for payment. Failure to make any payment due in respect of a mandatory redemption under this Condition 7(b) of part of the principal amount of the Notes or interest thereon shall not constitute an Event of Default under the Notes.

In the event of such redemption and the Security becoming enforceable the Trustee may take such action as is provided in Condition 4C(c).

(c) *Redemption for Taxation and Other Reasons*

(i) If the Issuer, on the occasion of the next payment due in respect of the Notes or Coupons (if any) of any Specific Series, would be required by applicable law to withhold or account for tax or would suffer withholding tax on payments due to it in respect of the Eligible Assets (if any, and as specified in the relevant Final Terms or Series Offering Document, as applicable, or Supplemental Trust Deed) acquired by it with the proceeds of issue of the Notes of the relevant Specific Series, then, subject to (B) below, the Issuer shall so inform the Trustee in writing, and shall be entitled to arrange the substitution of a company incorporated in another jurisdiction approved beforehand in writing by the Trustee as the principal obligor in respect of such Specific Series or to change (to the satisfaction of the Trustee) its residence for taxation purposes to another jurisdiction approved beforehand in writing by the Trustee. If the Issuer elects not to arrange such change or substitution before the next payment is due in respect of the relevant Notes, the Issuer shall at its discretion either:

(A) forthwith give not more than 28 nor less than 7 days’ notice to the Trustee and the relevant Noteholders in accordance with Condition 13, and upon expiry of such notice the Issuer shall provided that the Trustee is satisfied that it has at its disposal funds for such purpose redeem all but not some only of the relevant Notes at their Early Redemption Amount together with interest (if any) accrued to the date fixed for redemption unless the Trustee certifies to the Issuer that, in its absolute discretion, it considers that it is in the best interests of the Noteholders of the relevant Specific Series that the

Notes not be so redeemed or an Extraordinary Resolution of the Noteholders of the relevant Specific Series otherwise directs; or

- (B) make such payment, increasing it to the extent necessary to ensure that after the withholding or accounting for tax, such amount is received by Noteholders as would have been received by them had no such withholding or accounting been required.
- (ii) If the Issuer satisfies the Trustee that the performance of its obligations under the Notes of any Series or that any arrangements made to hedge its position under the Notes of any Series (including, for the avoidance of doubt, purchasing or holding any Eligible Assets acquired with the proceeds of issue of such Notes) have or will become unlawful, illegal, or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, then the Issuer shall forthwith give not more than 28 nor less than 7 days' notice to the relevant Noteholders and, upon expiry of such notice, shall redeem all but not some only of the Notes of such Series at their Early Redemption Amount together with interest (if any) accrued to the date fixed for redemption. Such notice (which shall be irrevocable) shall be given promptly upon the occurrence of either of the above events unless the Trustee certifies to the Issuer that, in its absolute discretion, it considers that it is in the best interests of the Noteholders of such Series that such notice be delayed or not given or an Extraordinary Resolution of the Noteholders of such Series otherwise directs.
- (iii) If any Specific Swap Agreement (as specified in the Final Terms or Series Offering Document, as applicable) with respect to a Specific Series terminates prior to its scheduled termination date then the Issuer shall forthwith give not more than 28 nor less than 7 days' notice to the Noteholders of the relevant Specific Series and, upon expiry of such notice, shall redeem all but not some only of the Notes of such Specific Series at their Early Redemption Amount together with interest (if any) accrued to the date fixed for redemption. Such notice (which shall be irrevocable) shall be given promptly upon the occurrence of either of the above events unless the Trustee certifies to the Issuer that, in its absolute discretion, it considers that it is in the best interests of the Noteholders of the relevant Specific Series that such notice be delayed or not given or an Extraordinary Resolution of the Noteholders of the relevant Specific Series otherwise directs.

Notwithstanding the foregoing, if any of the taxes referred to in Condition 7(c)(i) above arises (i) by reason of any Noteholder's connection with the country of incorporation of the Issuer otherwise than by reason only of the holding of any Note or receiving or being entitled to any Redemption Amount or interest in respect thereof; or (ii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax, then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Noteholder and all other Noteholders shall receive the due amounts payable to them. Any such deduction shall not be an Event of Default under the Notes.

In the event of such redemption and the Security becoming enforceable, the Trustee may take such action as is provided in Condition 4(A)(c), 4(B)(c) or 4(C)(c), as applicable.

(d) *Purchases*

If either (i) the Issuer has satisfied the Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Eligible Assets and for the purchase of any Notes, which transaction will leave the Issuer with no net liabilities in respect thereof or (ii) the Trustee has otherwise agreed in writing, the Issuer may purchase Notes in the open market or otherwise at any price subject to and in compliance with any applicable law and stock exchange regulations.

(e) *Early Redemption of Zero Coupon Notes*

- (i) The Redemption Amount payable in respect of any Note which does not bear interest prior to the Maturity Date, upon redemption of such Note pursuant to Condition 7(b) or 7(c) or upon it becoming due and payable as provided in Condition 9A, 9B or 9C, as applicable, shall be the Amortised Face Amount (calculated as provided below) of such Note.
- (ii) Subject to the provisions of paragraph 7(e)(iii) below, the “Amortised Face Amount” of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the Final Terms or Series Offering Document, as applicable, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the Final Terms or Series Offering Document, as applicable.
- (iii) If the Redemption Amount or Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(b) or 7(c) or upon it becoming due and payable as provided in Condition 9A, 9B or 9C, as applicable, is not paid when due, the Redemption Amount or Early Redemption Amount, as the case may be, due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in paragraph 7(e)(ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (both before and after judgment) until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 6(d).

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

If the Call Option is specified in the Final Terms or Series Offering Document, as applicable, as being applicable, the Issuer may, by giving irrevocable notice to the Noteholders (in accordance with Condition 13) falling within the Issuer's Option Period, which shall not be a period shorter than 5 Business Days, redeem, or exercise any Issuer's option in relation to all or, if so provided, some of such Notes at the Optional Redemption Amount and on the Optional Redemption Date(s) so provided. Any such redemption of Notes shall be at the Optional Redemption Amount together with interest accrued (if any) to the date fixed for redemption as provided in the Final Terms or Series Offering Document, as applicable.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

(g) *Redemption at the Option of Noteholders*

If the Put Option is specified in the Final Terms or Series Offering Document, as applicable, as being applicable, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the Noteholder's Optional Redemption Date(s) so provided at the Optional Redemption Amount together with interest accrued (if any) to the date fixed for redemption as provided in the Final Terms or Series Offering Document, as applicable.

To exercise such option the holder must deposit such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent within the Noteholders' Option Period specified in the Final Terms or Series Offering Document, as applicable. A duly completed Exercise Notice together with the relevant Note shall be deposited with the relevant Paying Agent or Registrar or Transfer Agent, as applicable, within such period prior to the relevant Optional Redemption Date as shall be specified in the applicable Final Terms or Series Offering Document, as applicable, which shall not be shorter than 15 Business Days prior to the relevant Optional Redemption Date, or if no such period is so specified, no fewer than 15 Business Days prior to the relevant Optional Redemption Date. No Note so deposited and option so exercised may be withdrawn without the prior consent of the Issuer (except that such Note will be returned to the relevant Noteholder by the Paying Agent, the Registrar or Transfer Agent with which it has been deposited if, prior to the date for its redemption or the exercise of the option, the Note becomes immediately due and payable or if upon due presentation payment of the redemption moneys is not made or exercise of the option is denied).

(h) *Optional Redemption Amount*

For the purposes of Condition 7(f) and 7(g), the "**Optional Redemption Amount**" in respect of each Note shall be determined as follows:

- (i) In respect of a Note of a General Short Series, the Optional Redemption Amount shall be the amount determined in accordance with the formula:

$AV/N$ , where:

"**AV**" means (in each case as at the last Valuation Date) such proportion of the Asset Value of the General Short Portfolio as is equal to the proportion that the Notes of the relevant General Short Series represent of the General Short Outstanding Note Liability as determined by the Administration Agent (or such other person as may be responsible for calculating the Asset Value with respect to the Notes in accordance with the Agency Agreement) in accordance with clause 17 of the Agency Agreement and in consultation with the Portfolio Manager, adjusted, in consultation with the Portfolio Manager, to account fully for any losses, expenses and costs to the Issuer of unwinding any underlying or related hedging and funding arrangements; and

“N” means the number of Notes of the relevant General Short Series in issue (as at the last Valuation Date).

- (ii) In respect of a Note of a General Long Series, the Optional Redemption Amount shall be the amount determined in accordance with the formula:

$AV/N$ , where:

“AV” means (in each case as at the last Valuation Date) such proportion of the Asset Value of the General Long Portfolio as is equal to the proportion that the Notes of the relevant General Long Series represent of the General Long Outstanding Note Liability as determined by the Administration Agent (or such other person as may be responsible for calculating the Asset Value with respect to the Notes in accordance with the Agency Agreement) in accordance with clause 17 of the Agency Agreement and in consultation with the Portfolio Manager, adjusted, in consultation with the Portfolio Manager, to account fully for any losses, expenses and costs to the Issuer of unwinding any underlying or related hedging and funding arrangements; and

“N” means the number of Notes of the relevant General Long Series in issue (as at the last Valuation Date).

- (i) *Cancellation*

All Notes redeemed by the Issuer, and all Notes purchased by or on behalf of the Issuer which the Issuer elects to surrender (together with all unmatured Coupons and unexchanged Talons appertaining thereto) for cancellation, will be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith) and, if cancelled (in the case of purchased Notes), may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes, Coupons and Talons shall be discharged.

- (j) *Determination and Publication of Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*

On the Maturity Date and upon the occurrence of any early or optional redemption where the relevant Redemption Amount, Early Redemption Amount or Optional Redemption Amount is not the principal amount of the Note, the Calculation Agent shall make any determination or calculation required by the Conditions, calculate the Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, and cause the same to be notified to the Issuer, the Trustee, the Principal Paying Agent, each of the Paying Agents, the Noteholders, and, for so long as the Notes are listed on a stock exchange and the rules of such stock exchange require, such stock exchange, as soon as possible after their determination. The determination of each Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, and the making of each such determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

## 8. **Payments and Talons**

- (a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes will, subject as

mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of principal) or Coupons (in the case of interest), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on or at the option of the holder, by transfer to an account denominated in that currency with a bank in the principal financial centre of the country of that currency (other than the United States) provided that (i) in the case of Euro, the transfer may be to, or the cheque drawn on, a Euro account with a bank in a city in which banks have access to the TARGET System and (ii) in the case of yen, the transfer will be to a non-resident yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan).

(b) *Registered Notes*

- (i) Payments of principal in respect of Registered Notes will be made against presentation and surrender of the relevant Individual Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 8(b)(ii).
- (ii) Interest on Registered Notes represented by a Global Certificate will be paid to the person shown on the Register at the close of business on the business day in the relevant clearing systems before the due date for payment thereof. Interest on Registered Notes represented by Individual Certificates will be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in Condition 8(a), such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(c) *Payments Subject to Law etc.*

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

(d) *Payments in the United States*

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

(e) *Appointment of Agents*

The Paying Agents, the Registrar, the Transfer Agents, the Administration Agent, the Custodian, the Calculation Agent and their respective specified offices are set out in the Agency Agreement. The Paying Agents, the Registrar, the Transfer Agent, the Administration Agent, the Custodian and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Paying Agent, the Registrar, the Transfer Agent, the Administration Agent, the Custodian, or the Calculation Agent and to appoint additional or other Paying Agents, Registrar, Transfer Agent, Administration Agent or Calculation Agent (if applicable), provided that it will at all times maintain (i) a Principal Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Custodian, (v) an Administration Agent, (vi) a Calculation Agent where the Conditions so require one and (vii) such other agent as may be required by the rules of any stock exchange on which the Notes may be listed and a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 8(d) above.

Notice of any such change or any change of any specified office will be given promptly to the Noteholders in accordance with Condition 13.

(f) *Unmatured Coupons and Unexchanged Talons*

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

(g) *Talons*



On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet).

(h) *Non-Business Days*

If any date for payment in respect of a Note or Coupon referred to in these Conditions is not specified in the relevant Final Terms or Series Offering Document, as applicable, to be subject to adjustment in accordance with Business Day Convention and would otherwise fall on a day which is not a Relevant Business Day, then, the holder of the relevant Note or Coupon shall not be entitled to payment until the next following Relevant Business Day nor to any interest or other sum in respect of such postponed payment.

9. **Enforcement Action**

Condition 9A shall apply to each General Short Series, save to the extent modified or replaced by the relevant Series Offering Document, if applicable. Condition 9B shall apply to each General Long Series, save to the extent modified or replaced by the relevant Series Offering Document, if applicable. Condition 9C shall apply to each Specific Series save to the extent modified or replaced by the relevant Series Offering Document and/or Supplemental Trust Deed.

9A. **Enforcement Action in respect of General Short Series and General Short Security**

(a) *General Short Events of Default and Acceleration*

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of Notes then outstanding of each General Short Series, or if so directed by an Extraordinary Resolution of such holders, shall give notice (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) to the Issuer that the Notes of each General Short Series are, and they shall accordingly forthwith become, immediately due and repayable at their Redemption Amount, together with accrued interest (if any) thereon and the General Short Security shall become enforceable, as provided in the Trust Deed, upon the occurrence of a General Short Event of Default which is continuing. A General Short Event of Default is defined in the Master Trust Deed as the occurrence of any of the following events:

- (i) the Issuer defaults in the payment of the Redemption Amount, Early Redemption Amount or the Optional Redemption Amount, as the case may be, or defaults for a period of 14 days or more in the payment of any sum other than the Redemption Amount, Early Redemption Amount or the Optional Redemption Amount, as the case may be, due in respect of the Notes of any General Short Series, or any of them; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Notes of any General Short Series or the Trust Deed and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

- (iii) if any order shall be made by any competent court or any resolution passed for the winding up or dissolution of the Issuer save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the holders of the Notes of each General Short Series or if the Issuer is subject to any insolvency, bankruptcy, compulsory liquidation, examination, controlled management procedures or suspension of payments; or
- (iv) if the Issuer is deemed to be unable to pay its debts as and when they fall due within the meaning of section 570 of the Companies Act 2014 of Ireland and/or section 509(3) of the Companies Act 2014 of Ireland.

(b) *Enforcement of General Short Series*

At any time after the Notes of each General Short Series become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the General Pledge Agreement, the Notes of each General Short Series and the related Coupons, but it need not take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes outstanding of each General Short Series, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(c) *Non Petition and Limited Recourse*

Only the Trustee may pursue the remedies available under the Trust Deed and the General Pledge Agreement to enforce the rights of the Noteholders or Couponholders of any General Short Series and no Noteholder or Couponholder of any General Short Series is entitled to proceed against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable time and such failure or neglect is continuing.

The Trustee, the Agents (as defined in the Agency Agreement), the Portfolio Manager and the Noteholders and Couponholders of any General Short Series shall have recourse only to the General Short Charged Assets for satisfaction and discharge of the Issuer's obligations and liabilities arising under or in connection with the Notes of any General Short Series or the Programme Documents and, the Trustee having realised the same and distributed the net proceeds in accordance with Condition 4A, the Trustee, any Agent, the Portfolio Manager and the Noteholders and Couponholders of any General Short Series or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer to recover any further sum (save for lodging a claim in the liquidation of the Issuer initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer) and the right to receive any such sum shall be extinguished. In particular, none of the Trustee, any Agent, the Portfolio Manager or any Noteholder or Couponholder of any General Short Series nor any other party to a Programme Document shall be entitled to petition or take any other step for the winding-up of, or take any steps to institute insolvency proceedings in relation to, the Issuer, nor shall any of them have any claim to, or in respect of any sum arising in respect of, the General Long Charged Assets for any General Long Series or the Specific Charged Assets for any Specific Series.

9B. **Enforcement Action in respect of General Long Series and General Long Security**

(a) **General Long Events of Default and Acceleration**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of Notes then outstanding of each General Long Series, or if so directed by an Extraordinary Resolution of such holders, shall give notice (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) to the Issuer that the Notes of each General Long Series are, and they shall accordingly forthwith become, immediately due and repayable at their Redemption Amount, together with accrued interest (if any) thereon and the General Long Security shall become enforceable, as provided in the Trust Deed, upon the occurrence of a General Long Event of Default which is continuing. A General Long Event of Default is defined in the Master Trust Deed as the occurrence of any of the following events:

- (i) the Issuer defaults in the payment of the Redemption Amount, Early Redemption Amount or the Optional Redemption Amount, as the case may be, or defaults for a period of 14 days or more in the payment of any sum other than the Redemption Amount, Early Redemption Amount or the Optional Redemption Amount, as the case may be, due in respect of the Notes of any General Long Series, or any of them; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Notes of any General Long Series or the Trust Deed and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (iii) if any order shall be made by any competent court or any resolution passed for the winding up or dissolution of the Issuer save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the holders of the Notes of each General Long Series or if the Issuer is subject to any insolvency, bankruptcy, compulsory liquidation, examination, controlled management procedures or suspension of payments; or
- (iv) if the Issuer is deemed to be unable to pay its debts as and when they fall due within the meaning of section 570 of the Companies Act 2014 of Ireland and/or section 509(3) of the Companies Act 2014 of Ireland.

(b) *Enforcement of General Long Series*

At any time after the Notes of each General Long Series become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the General Pledge Agreement, the Notes of each General Long Series and the related Coupons, but it need not take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes outstanding of each General Long Series, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(c) *Non Petition and Limited Recourse*

Only the Trustee may pursue the remedies available under the Trust Deed and the General Pledge Agreement to enforce the rights of the Noteholders or Couponholders of any General Long Series and no Noteholder or Couponholder of any General Long Series is entitled to proceed against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable time and such failure or neglect is continuing.

The Trustee, the Agents (as defined in the Agency Agreement), the Portfolio Manager and the Noteholders and Couponholders of any General Long Series shall have recourse only to the General Long Charged Assets for satisfaction and discharge of the Issuer's obligations and liabilities arising under or in connection with the Notes of any General Long Series or the Programme Documents and, the Trustee having realised the same and distributed the net proceeds in accordance with Condition 4B, the Trustee, any Agent, the Portfolio Manager and the Noteholders and Couponholders of any General Long Series or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer to recover any further sum (save for lodging a claim in the liquidation of the Issuer initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer) and the right to receive any such sum shall be extinguished. In particular, none of the Trustee, any Agent, the Portfolio Manager or any Noteholder or Couponholder of any General Long Series nor any other party to a Programme Document shall be entitled to petition or take any other step for the winding-up of, or take any steps to institute insolvency proceedings in relation to, the Issuer, nor shall any of them have any claim to, or in respect of any sum arising in respect of, the General Short Charged Assets for any General Short Series or the Specific Charged Assets for any Specific Series.

9C. **Enforcement Action in respect of Specific Series and Specific Security**

(a) **Specific Events of Default and Acceleration**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes of a Specific Series then outstanding, or if so directed by an Extraordinary Resolution of such holders, shall give notice (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) to the Issuer that the Notes of the relevant Specific Series are, and they shall accordingly forthwith become, immediately due and repayable at their Redemption Amount, together with accrued interest (if any) thereon and the Specific Security in respect of such Specific Series shall become enforceable, as provided in the relevant Supplemental Trust Deed and Specific Pledge Agreement, upon the occurrence of a Specific Event of Default with respect to the relevant Specific Series which is continuing. A Specific Event of Default with respect to a Specific Series is defined in the Master Trust Deed as the occurrence of any of the following events:

- (i) the Issuer defaults in the payment of the Redemption Amount, Early Redemption Amount or the Optional Redemption Amount, as the case may be, or defaults for a period of 14 days or more in the payment of any sum other than the Redemption Amount, Early Redemption Amount or the Optional Redemption Amount, as the case may be, due in respect of the Notes of the relevant Specific Series, or any of them; or

- (ii) if the Issuer fails to perform or observe any of its other obligations under the Notes of the relevant Specific Series or the relevant Supplemental Trust Deed and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (iii) if any order shall be made by any competent court or any resolution passed for the winding up or dissolution of the Issuer save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the holders of the Notes of the relevant Specific Series or if the Issuer is subject to any insolvency, bankruptcy, compulsory liquidation, examination, controlled management procedures or suspension of payments; or
- (iv) if the Issuer is deemed to be unable to pay its debts as and when they fall due within the meaning of section 570 of the Companies Act 2014 of Ireland and/or section 509(3) of the Companies Act 2014 of Ireland.

(b) *Enforcement of Specific Series*

At any time after the Notes of a Specific Series become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the relevant Supplemental Trust Deed, the relevant Specific Pledge Agreement, the Notes of the relevant Specific Series and the related Coupons, but it need not take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes outstanding of the relevant Specific Series, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(c) *Non Petition and Limited Recourse*

Only the Trustee may pursue the remedies available under the relevant Supplemental Trust Deed and Specific Pledge Agreement to enforce the rights of the Noteholders or Couponholders of any Specific Series and no Noteholder or Couponholder of any Specific Series is entitled to proceed against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the relevant Supplemental Trust Deed, fails or neglects to do so within a reasonable time and such failure or neglect is continuing.

The Trustee, the Agents (as defined in the Agency Agreement), the Portfolio Manager and the Noteholders and Couponholders of any Specific Series shall have recourse only to the Specific Charged Assets in respect of the relevant Specific Series for satisfaction and discharge of the Issuer's obligations and liabilities arising under or in connection with the Notes of the relevant Specific Series or the relevant Specific Series Documents and, the Trustee having realised the same and distributed the net proceeds in accordance with Condition 4C, the Trustee, any Agent, the Portfolio Manager and the Noteholders and Couponholders of the relevant Specific Series or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer to recover any further sum (save for lodging a claim in the liquidation of the Issuer initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer) and the right to receive

any such sum shall be extinguished. In particular, none of the Trustee, any Agent, the Portfolio Manager or any Noteholder or Couponholder of any Specific Series nor any other party to a Specific Series Document shall be entitled to petition or take any other step for the winding-up of, or take any steps to institute insolvency proceedings in relation to, the Issuer, nor shall any of them have any claim to, or in respect of any sum arising in respect of, the General Short Charged Assets for any General Short Series, the General Long Charged Assets for any General Long Series or the Specific Charged Assets for any other Specific Series.

**10. Prescription**

Claims against the Issuer for payment in respect of Notes and Coupons shall be prescribed and become void unless made within ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

**11. Agents**

In acting under the Agency Agreement and the Trust Deed, the Agents which are party to the Agency Agreement act solely as agents of the Issuer unless an Event of Default or Potential Event of Default (as defined in the Trust Deed occurs), when such Agents will, if required to do so, act as agents of the Trustee, and will not assume any obligation or relationship of agency or trust to or with the Noteholders or the Couponholders. The Issuer has agreed in the Trust Deed to perform and observe the obligations imposed upon it under the Agency Agreement and the Trust Deed. Such agreements may be amended by the parties thereto with the approval of the Trustee if, in the opinion of the Trustee, the amendment is not materially prejudicial to the interests of the Noteholders. The Issuer may not, without the consent of the Trustee, replace any Agent.

**12. Replacement of Notes, Coupons and Talons**

If a Note, Individual Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of the Principal Paying Agent in Dublin (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Individual Certificates) in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Individual Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Individual Certificates, Notes, Coupons or Talons must be surrendered before replacements will be issued.

**13. Notices**

Notices to holders of Registered Notes will be mailed to them at their respective addresses in the Register and deemed to have been given on the next weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

Notices to holders of Notes represented by a Global Note or Global Certificate, as applicable, will be delivered to the Common Depositary for communication by it to Euroclear and/or Clearstream, Luxembourg or other clearing system for communication by them to their participants and for communication by such participants to entitled accountholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg as aforesaid shall be deemed to have been given on the day on which it is delivered to the Common Depositary. In

addition, if the Notes are not represented by a Global Note or Global Certificate, or if the rules of the Irish Stock Exchange or any other stock exchange or market on which the relevant Notes are listed or admitted to trading so require, all notices to holders of Notes will be published in a daily newspaper with circulation in Ireland (expected to be *The Irish Times*). If in the opinion of the Trustee, any such publication is not practicable, notice shall be validly given if published in another leading English language newspaper with general circulation in Europe. Any such notice to holders of Bearer Notes and Registered Notes shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

**14. Meetings of Noteholders; Modification; Waiver; etc.**

**(a) *Meetings of Noteholders***

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the terms and conditions of the Notes. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting, one or more persons being or representing Noteholders, whatever the principal amount of the Notes so held or represented, except that, inter alia, the terms of the Security and certain terms concerning the amount and currency and the postponement of the due dates of payment of the Notes and the Coupons (except where such modification is, in the opinion of the Trustee, not materially prejudicial to the interests of Noteholders), or the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, may be modified only by Extraordinary Resolutions passed at a meeting the quorum at which shall be one or more persons holding or representing not less than two-thirds, or at any such adjourned meeting not less than one-third, in principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they were present at such meeting, and on the holders of Coupons. The Trustee, without consulting the Noteholders or holders of Coupons, may determine that an event which would otherwise be an Event of Default shall not be so treated in accordance with Condition 14(b) below.

**(b) *Modification and Waiver***

The Trustee may agree, without the consent of the Noteholders or holders of Coupons, to (i) any modification of any of the provisions of the Trust Deed or any other Programme Document (as defined in the Master Trust Deed) which is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as provided in the Trust Deed), waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or any other Programme Document (as defined in the Master Trust Deed) which, in any such case, is not in the opinion of the Trustee materially prejudicial to the interests of the Noteholders. Any such determination, modification, authorisation or waiver shall be binding on the Noteholders and holders of Coupons,

and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter.

(c) *Substitution*

Subject to such amendment of the Trust Deed and such other conditions as the Trustee may require including the transfer of the Security, but without the consent of the Noteholders or Couponholders, the Trustee may agree to the substitution of any other company in place of the Issuer as principal debtor under, in the case of Notes of a General Short Series, the Notes of such General Short Series and all other General Short Series and in place of the Issuer under the Programme Documents, or, in the case of Notes of a General Long Series, the Notes of such General Long Series and all other General Long Series and in place of the Issuer under the Programme Documents, or, in the case of Notes of a Specific Series, the Notes of such Specific Series and in place of the Issuer under the relevant Specific Series Documents. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed and/or the Programme Documents or Specific Series Documents, as applicable, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. Subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or Couponholders, the Trustee may also agree to the change of the branch or office of the Custodian.

(d) *Entitlement of the Trustee*

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) under these Conditions or the Trust Deed the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholders or Couponholders be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any exercise upon individual Noteholders or Couponholders. Save as otherwise provided, the Trustee shall not have regard to the interests of any Secured Party other than the Noteholders except to apply the proceeds of enforcement of the Security in accordance with the order of priority set out in the Master Trust Deed and Condition 4A(b), 4(B)(b) or 4C(b), as applicable.

(e) *Meetings*

The Trust Deed provides *inter alia* that:

- (i) except where the Conditions specifically state that one meeting of Noteholders of more than one Series will be held, separate meetings of Noteholders of each separate Series will normally be held although the Trustee may from time to time determine that meetings of Noteholders of each separate Series issued by the Issuer may be held together;
- (ii) a resolution that in the opinion of the Trustee affects one Series alone shall be deemed to have been duly passed if passed at a separate meeting of the holders of Notes of the Series concerned;



- (iii) a resolution which in the opinion of the Trustee affects the holders of more than one Series of Notes issued by the Issuer but does not give rise to a conflict of interest between the holders of the other Series of Notes concerned shall be deemed to have been duly passed if passed at a single meeting of the holders of Notes of all the relevant Series provided that for the purposes of determining the votes that a Noteholder is entitled to cast, each Noteholder shall have one vote in respect of each integral currency limit of the specified currency of the Notes;
  - (iv) a resolution that in the opinion of the Trustee affects the holders of more than one Series of Notes and gives or may give rise to a conflict of interest between the holders of the other Series of Notes concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the holders of the relevant Series of Notes, except where the Conditions specifically state that one meeting of Noteholders of more than one Series will be held; and
  - (v) if the Issuer proposes to exchange part of an existing Series of Notes for Notes of a new Series, only the Notes to be exchanged shall be deemed to be Notes of the relevant Series.
- (f) *Charged Assets*

Except where the Conditions or the Programme Documents expressly so provide or contemplate, the Issuer will not exercise any rights or take any action in its capacity as holder of the Charged Assets unless directed to do so by the Trustee or by an Extraordinary Resolution of the Noteholders. If such direction is given, the Issuer will act only in accordance with such directions.

## 15. **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any voting rights in respect of the Eligible Assets, for the validity, sufficiency and enforceability (which the Trustee has not investigated) of the Security. The Trustee is not obliged to take any action under the Trust Deed unless indemnified to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, and/or any issuer or guarantor (where applicable) of any of the Eligible Assets, without accounting to the Noteholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Eligible Assets, from any obligation to insure or to procure the insuring of the Eligible Assets and from any claim arising from the fact that the Eligible Assets will be held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by any other person of its obligations to the Issuer and, in particular, shall not have any responsibility for the administration, management or operation of the Charged Assets.

The Trust Deed provides that in acting as Trustee under the Trust Deed, the Trustee shall not assume any duty or responsibility to the Custodian or the Principal Paying Agent (other than to pay to any such persons any monies received and repayable to it and to act in accordance with the provisions of Condition 4A(b), 4B(b) or 4(C)(b), as applicable) and shall have regard solely to the interests of the Noteholders.

## 16. Further Issues

### (a) *Further Indebtedness of a General Short Series or a General Long Series*

The Issuer shall be at liberty from time to time (without the consent of the Noteholders or the Couponholders of any Series, but provided that the Trustee is satisfied that the restrictions contained in this Condition will be complied with) to issue further Notes under the Programme. Such further Notes, if constituted as a General Short Series, shall be secured on, and only on, the General Short Charged Assets and on terms that provide for the extinction of all claims in respect of such Notes after application of the proceeds of enforcement of the General Short Security (or arrangements have been entered into that, to the satisfaction of the Trustee, have a like result). Such further Notes may or may not have, when issued, the same terms and conditions as the Notes of any General Short Series and may, or may not (at the option of the Issuer), be consolidated and form a single series with the Notes of any General Short Series. Such further Notes, if constituted as a General Long Series, shall be secured on, and only on, the General Long Charged Assets and on terms that provide for the extinction of all claims in respect of such Notes after application of the proceeds of enforcement of the General Long Security (or arrangements have been entered into that, to the satisfaction of the Trustee, have a like result). Such further Notes may or may not have, when issued, the same terms and conditions as the Notes of any General Long Series and may, or may not (at the option of the Issuer), be consolidated and form a single series with the Notes of any General Long Series.

### (b) *Non-Fungible Further Indebtedness – Specific Series*

The Issuer shall be at liberty from time to time (without the consent of the Noteholders or the Couponholders of any Series, but provided that the Trustee is satisfied that the restrictions contained in this Condition will be complied with (as to which, the Trustee shall be entitled to rely on an opinion of counsel reasonably satisfactory to it)) to issue further bonds and notes and to borrow under, buy, sell or enter into other obligations in the form of loans, options, swaps or other derivative transactions. Such further bonds, notes or other obligations must be issued under the Programme and, if constituted as a Specific Series, shall be secured on, and only on, assets of the Issuer other than the General Short Charged Assets, the General Long Charged Assets or any Specific Charged Assets relating to any other Specific Series or the Issuer's share capital and on terms that provide for the extinction of all claims in respect of such bonds, notes or other obligations after application of the proceeds of enforcement of the security over the assets on which such bonds, notes or other obligations are secured (or arrangements have been entered into that, to the satisfaction of the Trustee, have a like result).

### (c) *Fungible Further Indebtedness – Specific Series*

The Issuer may from time to time (without the consent of the Noteholders or the Couponholders of any Series, but provided that the Trustee is satisfied that the restrictions contained in this Condition will be complied with (as to which, the Trustee shall be entitled to rely on an opinion of counsel reasonably satisfactory to it)) issue further bonds and notes that have, when issued, the same terms and conditions as the Notes of a Specific Series in all respects (or in all respects except for the Issue Date, the Issue Price and/or the Interest Commencement Date) and that are consolidated and form a single series with the Notes of such Specific Series; provided that (unless otherwise approved by an Extraordinary Resolution of the Noteholders of the relevant Specific Series), (i) the Issuer provides additional security for such new bonds or notes that comprises assets that are fungible with, and have the same

proportionate composition as, the Specific Charged Assets in respect of the relevant existing Notes of such Specific Series and that has an aggregate principal amount at least equal to the principal amount of such existing relevant Specific Charged Assets multiplied by a fraction, the numerator of which is the aggregate principal amount of such new bonds or notes and the denominator of which is the aggregate principal amount of the existing Notes; (ii) the Issuer enters into an additional or supplemental swap agreement varying the terms of the relevant Specific Swap Agreement (if any) to take account of the new bonds or notes on terms no less favourable than those of the relevant Specific Swap Agreement (if any). Upon issue of such new bonds or notes, the Notes of the relevant Specific Series and such new bonds or notes shall form a single series and be secured on the relevant Specific Charged Assets and such additional assets. Such further bonds or notes shall be constituted and secured by a further Supplemental Trust Deed.

**17. Taxation**

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Registrar or any Transfer Agent or any Paying Agent is required by applicable law to make any such payment in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. Subject to Condition 7(c)(i), in that event the Issuer or such Paying Agent, Registrar or Transfer Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted, neither the Issuer, subject to any election it may make pursuant to Condition 7(c)(i)(B), nor any Paying Agent, Registrar or Transfer Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.

**18. Governing Law**

The Notes, Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Ireland. The Issuer has in the Trust Deed submitted to the jurisdiction of the Irish courts for all purposes in connection with the Notes, the Coupons and the Talons.

## FORM OF FINAL TERMS

Final Terms dated [●]

**Silverstate Financial Investments p.l.c.**

(incorporated with limited liability in Ireland with registered number 426060)

**[Title of relevant Tranche of Notes (specifying type and nominal amount of Notes) (the “Notes”)]**  
**issued pursuant to the**  
**€40,000,000,000 Programme for the issue of Notes**  
**arranged by**

**KBC Bank NV**

Any person making or intending to make an offer of the Notes may only do so:

- (i) in those Authorised Offer Jurisdictions mentioned in Paragraph 9(vi) of Part B below, provided such person is of a kind specified in that paragraph and that such offer is made during the Offer Period specified for such purpose therein; or
- (ii) otherwise<sup>1</sup> in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

When used herein, 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.

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<sup>1</sup> Include this wording where a non-exempt offer of Notes is anticipated.

## PART A CONTRACTUAL TERMS AND LISTING

[[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 4 November 2016 [and the supplemental Base Prospectus dated [●]] [which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). This document constitutes Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Base Prospectus] and Final Terms are available for viewing at the registered office of the Issuer [and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie) ] and copies may be obtained from the registered office of the Issuer – *to be completed*]]<sup>2</sup>

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Base Prospectus dated [date of original prospectus] [and the supplemental Base Prospectus dated [●]]. [This document constitutes Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 4 November 2016 [and the supplemental Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [date of original prospectus] [and the supplemental Base Prospectus dated [●]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [date of original prospectus] and 4 November 2016 [and the supplemental Base Prospectuses dated [●] and [●]]. [The Base Prospectuses [and the supplemental Base Prospectuses] and Final Terms are available for viewing at the registered office of the Issuer [and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie) ] and copies may be obtained from the registered office of the Issuer – *to be completed*.]]<sup>3</sup>

*Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Prospective purchasers should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the [currencies, shares, etc.] based upon such investigations and not in reliance upon any information given in this document.*

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

*[When completing any final terms, consideration should be given as to whether “significant new factors” exist which consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

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<sup>2</sup> Include this wording where a non-exempt offer of Notes is anticipated.

<sup>3</sup> Include this wording where a non-exempt offer of Notes is anticipated.

**The terms of the Notes are as follows:**

1.	Issuer:	Silverstate Financial Investments p.l.c.
2.	[(i)] Series No:	[●] - [●]
	[(ii)] Tranche Number:	[[●]]
	(iii) Date on which Notes become fungible	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with each tranche of notes of the series referred to at paragraph 2(i) above on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note [which is expected to occur on or about [insert date]].]
	(iii) Status	[General Short Series/ General Long Series/ Specific Series]  [Senior/Class A Mezzanine/Class B Mezzanine/Class C Mezzanine/Class D Mezzanine/Class E Mezzanine/Class F Mezzanine/Class G Mezzanine/Class H Mezzanine/Subordinated]
	(iv) [Date [Board] approval for Issuance of Notes obtained:	[●]/[Not Applicable]
3.	Specified Denomination(s):	[●] - See also the Tradeable Amount in Part B of these Final Terms
4.	Relevant Currency:	[●]
5.	Principal Amount of:	
	[(i)] Series:	[●]
	[(ii)] Tranche:]	[[●]]
6.	Issue Date:	[●]
7.	Issue Price:	[●] per cent
8.	Net Proceeds:	[●]

9. (i) Maturity Date: [●], [, subject to adjustment in accordance with the Business Day Convention]
- (ii) Optional Maturity Date Extension [Applicable]/[Not Applicable]
- (iii) Automatic Maturity Date Extension [Applicable]/[Not Applicable]
10. Form of Notes: [Bearer/Registered]
11. Interest Basis: [Fixed Rate/Floating Rate/Zero Coupon]
12. Interest Commencement Date: [●]
13. Interest Cessation Date: [Maturity Date/[ • ]]
14. Redemption Amount: [Principal Amount/[ • ]]
15. Early Redemption Amount: [Principal Amount/[ • ]]
16. Call Option: [Applicable]/[Not Applicable]
17. Put Option: [Applicable]/[Not Applicable]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

18. Interest Payment Date(s): [[●] [subject to the Business Day Convention]/[Not Applicable]]
19. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of interest: [●] per cent per annum
- (ii) Interest Amount : *[insert amount of interest due in respect of each Specified Denomination on each Interest Payment Date]*
- (iii) Broken Amount: *[insert amount of interest due in respect of each Specified Denomination for initial/final period(s)]*
20. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)

	(i) Primary Source for Floating Rate:	[Reuters/Telerate/other relevant screen page]/[Reference Banks]/ [ISDA Rate]
	(ii) Benchmark:	[EURIBOR]/[LIBOR]/[PRIBOR]/ [WIBOR]/[BUBOR]
	(iii) Reference banks:	[include four]
	(iv) Representative Amount:	[●]/[Not Applicable]/[none specified]
	(v) Specified Duration:	[●]/[Not Applicable]/[none specified]
	(vi) Relevant Financial Centre:	[●]/[Not Applicable]/[none specified]
	(vii) Relevant Time:	[●]/[Not Applicable]/[none specified]
	(viii) Margin:	
	(i) in relation to all Interest Rates	[[+/-] [●] per cent per annum]/[Not Applicable]
	(ii) in relation to specified Interest Accrual Periods	[[+/-] [●] per cent per annum][specify Interest Accrual periods]/[Not Applicable]
21.	Interest Determination Date:	[●]/[Not Applicable]
22.	Interest Period Date(s) (if applicable):	[Interest Payment Dates]/[ • ]/ /[none specified]/Not Applicable]
23.	Minimum Interest Rate (if applicable):	[[●] per cent. per annum]/[none specified]/[Not Applicable]
24.	Maximum Interest Rate (if applicable):	[[●] per cent. per annum]/[none specified]/[Not Applicable]
25.	Additional Interest	[Applicable]/[Not Applicable]
26.	Business Day Convention:	[Preceding/Following/Modified Following/Floating Rate] Business Day Convention]
28.	Day Count Fraction	[1/1, Actual/Actual, Actual/Actual- ICMA, Actual/365 (Fixed), Actual/360, 30/360, 360/360, Bond Basis, 30E/360, Eurobond Basis, 30E/360 (ISDA)]



29. Zero Coupon Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortisation Yield: [●]/[none specified]/[Not Applicable]

#### PROVISIONS RELATING TO REDEMPTION

30. Redemption at the option of the Issuer: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Issuer's Option Period: [●]
- (ii) Optional Redemption Date(s): [ • ]
- (iii) redemption in part or in whole: [in whole]/[in part]
31. Redemption at the option of the Noteholders or other Noteholders' Option: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Noteholders' Option Period: [●]
- (ii) Option available to all Noteholders: [Applicable]/[Not Applicable]
- (iii) Optional Redemption Date(s): [●]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

32. Calculation Agent: [Bank of New York Mellon]/[Other – Give name and address]
33. Exchange of Global Note for Individual Certificates at the request of the holder: [Applicable]/[Not Applicable]
34. Payment Business Day Centre: [●]

35. Exchange:

- |                                                                                             |                                                                                                                 |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| (a) Notes to be represented on issue by:                                                    | [Temporary Global Note/Permanent Global Note/ Global Certificate/Individual Certificate]                        |
| (b) Temporary Global Note exchangeable for Definitive Bearer Notes/Individual Certificates: | [Applicable]/[Not Applicable]<br><i>(if Applicable specify Definitive Bearer Notes/Individual Certificates)</i> |
| (c) Permanent Global Note exchangeable for Definitive Bearer Notes:                         | [Applicable]/[Not Applicable]                                                                                   |

**[The following sections are customarily required for listed issues]**

#### **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the Final Terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €40,000,000,000 Programme for the issue of Notes of the Issuer.

#### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading. ] None of the Trustee, Paying Agents, Administration Agent, Registrar, Transfer Agent, Calculation Agent, the Custodian, Arranger, Dealers or Portfolio Manager accept responsibility for the information contained in these Final Terms.

These Final Terms are hereby executed by or on behalf of the Issuer.

**Silverstate Financial Investments p.l.c.**

By: .....  
Authorised Signatory

**PART B  
OTHER INFORMATION**

**1 LISTING**

- (i) Listing: [Irish Stock Exchange p.l.c./No]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [•] with effect from [•].] [Not Applicable.]

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

- (i) Reasons for the offer [ • ]  
*(See [“Use of Proceeds and Expenses”] wording in Base Prospectus – if reasons for offer are different include such reasons here.)*
- (ii) Estimated net proceeds: [ • ]  
*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (iii) Estimate of total expenses related to the admission to trading: [Include breakdown of expenses]

**3. [NOTIFICATION]**

The [Central Bank of Ireland], which is the Irish competent authority for the purpose of the Prospectus Directive, [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive[.].

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

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

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

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: [•]

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

6. **OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

CUSIP Number: [•]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): [Not Applicable]/[If Applicable, give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [specify names and addresses if applicable]

7. **GENERAL**

The aggregate principal amount of Notes issued has been translated into euro at the rate of EUR/[•] [•], producing a sum of (for Notes not denominated in euro): [Not Applicable/EUR[•]]

Tradeable Amount: [•]

8. **[SPECIFIC CHARGED ASSETS]<sup>4</sup>**

(i) Legal jurisdiction by which the pool of assets is governed: [ • ]

(ii) Global statistical data referred to the Specific Charged Assets: [ • ]

(iii) Legal nature of assets: [ • ]

(iv) Expiry/maturity date(s) of assets: [ • ]

<sup>4</sup> Section 8 is relevant only to Notes of a Specific Series. It can be deleted from Final Terms for Notes of a General Series.

(v) Amount of assets: [ • ]

(vi) Loan to value ratio or level of collateralisation: [ • ]

(vii) Indication of significant representations and collaterals given to the issuer relating to the assets: [ • ]

(viii) If a relationship exists that is material to the issue, between the Issuer and obligor, details of the principal terms of that relationship: [ • ]

(ix) Where the assets comprise equity securities that are admitted to trading on a regulated or equivalent market [ • ]

(A) description of securities: [ • ]

(B) description of the market on which they are traded including the date of establishment, how price information is published, an indication of daily trading volumes, information as to the standing to the market in the country and the name of the market's regulatory authority; [ • ]

(C) frequency with which prices of the relevant securities are published; [ • ]

(x) Name, address and significant business activities of the originators of the securitised assets; [ • ]

## 9. DISTRIBUTION

(i) Method of Distribution [Syndicated/Non-syndicated]

(ii) If syndicated: [Not Applicable/give names, addresses and underwriting commitments]

(i) Names and addresses of Managers and underwriting commitments: (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment on a "best efforts" basis if such entities are not the same as the Managers)

(ii) Date of [Subscription] Agreement: [ • ]

- |       |                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (iii) | Stabilising Manager(s) if any:                                                                | [Not Applicable/ <i>give name</i> ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| (iii) | If non-syndicated, name [and address] of Dealer:                                              | [Not Applicable/ <i>give name and address</i> ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| (iv)  | Indication of the overall amount of the underwriting commission and of the placing commission | [ • ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (v)   | U.S. selling restrictions:                                                                    | [Not Applicable/TEFRA C/TEFRA D]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| (vi)  | Non-exempt Offer:                                                                             | [Not Applicable][An offer of the Notes may be made by the Managers [and [ <i>specify, if applicable names and addresses of other financial intermediaries/placers making non-exempt offers to the extent known (ties into individual consent granted in prospectus)</i> ] OR include a generic description of other parties involved in non-exempt offers (e.g. " <i>other parties authorised by [the managers]</i> ")]] other than pursuant to Article 3(2) of the Prospectus Directive in [ <i>specify relevant Members State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported</i> ] (" <b>Authorised Offer Jurisdictions</b> ") during the period from [ <i>specify date</i> ] until [ <i>specify date</i> ] (" <b>Offer Period</b> "). <sup>5</sup> |

## 10. TERMS AND CONDITIONS OF THE OFFER<sup>6</sup>

- |       |                                                                                                                                     |                                          |
|-------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| (i)   | Offer Price:                                                                                                                        | [Issue Price][specify]                   |
| (ii)  | Conditions to which the offer is subject:                                                                                           | [Not Applicable]/[ <i>give details</i> ] |
| (iii) | The time period, including any possible amendments, during which the offer will be open and description of the application process: | [Not Applicable]/[ <i>give details</i> ] |
| (iv)  | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by                                   | [Not Applicable]/[ <i>give details</i> ] |

<sup>5</sup> Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Prospectus (and any supplement) has been notified/passported. Consider including details of parties (if any) other than the Managers making non-exempt offers in relevant jurisdictions, to the extent known to the Issuer (see Paragraph 5.4.1 of Annex V of Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended). Alternatively, consider a generic description of other parties involved in non-exempt offers (e.g. other parties authorized by the Managers) or (if relevant) note that other parties may make non-exempt offers in the specified jurisdictions during the offer period, in each case if not known to the Issuer. The start date for non-exempt offers will typically be no earlier than the publication date of the Final Terms. The start date in certain jurisdictions may need to be delayed until after compliance with any local requirements (e.g. publication of newspaper notices and accordingly may not necessarily be an actual date. For example, it could instead of a specific date be expressed as "the business day following publication of the [relevant notice]" or similar. The end date will be as agreed between the Issuer and the Managers.

<sup>6</sup> NB only to be included for Notes with Specified Denomination of less than EUR100,000 or equivalent in other currencies.

applicants:

- |        |                                                                                                                                                                                   |                                          |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| (v)    | Details of the minimum and/or maximum amount of application:                                                                                                                      | [Not Applicable]/[ <i>give details</i> ] |
| (vi)   | Details of the method and time limits for paying up and delivering the Notes:                                                                                                     | [Not Applicable]/[ <i>give details</i> ] |
| (vii)  | Manner in and date on which results of the offer are to be made public:                                                                                                           | [Not Applicable]/[ <i>give details</i> ] |
| (viii) | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:                                      | [Not Applicable]/[ <i>give details</i> ] |
| (ix)   | Whether tranche(s) have been reserved for certain countries:                                                                                                                      | [Not Applicable]/[ <i>give details</i> ] |
| (x)    | If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche. | [Not Applicable]/[ <i>give details</i> ] |
| (xi)   | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:                                           | [Not Applicable]/[ <i>give details</i> ] |
| (xii)  | Amount of any expenses and taxes specifically charged to the subscriber or purchaser:                                                                                             | [Not Applicable]/[ <i>give details</i> ] |
| (xiii) | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.:                                                 | [Not Applicable]/[ <i>give details</i> ] |

[ANNEX – FORM OF ISSUE SPECIFIC SUMMARY]<sup>7</sup>

This summary relates to the Notes described in the final terms (the “**Final Terms**”) to which this summary is annexed. This summary contains that information from the summary set out in the base prospectus dated 4 November 2016 [as supplemented by the Supplement(s) dated [ • ]] (the “**Base Prospectus**”) which is relevant to the Notes together with relevant information from the Final Terms. This summary must be read as an introduction to the Base Prospectus and is provided as an aid to investors when considering whether to invest in the Notes, but is not a suitable substitute for the Base Prospectus. Any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any documents incorporated by reference [,] [the supplement(s) dated [ • ]] and the Final Terms. Following the implementation of the relevant provisions of the Prospectus Directive (2003/71/EC, as amended) in each Member State of the European Economic Area, no civil liability will attach to those persons who have tabled this summary in any such Member State solely on the basis of this summary, including any translation thereof herein, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus and the Final Terms or it does not provide, when read together with the other parts of the Base Prospectus and the Final Terms, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Notes. Where a claim relating to information contained in the Base Prospectus and the Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

*(Issuer to annex form of issue specific summary to the final terms)*

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<sup>7</sup> Include this Annex where a non-exempt offer of Notes is anticipated.



## TAXATION

*The following is a general discussion of certain aspects of the anticipated Irish tax treatment of the Issuer and/or the holders of Notes. The discussion is based on laws, regulations, rulings and decisions (and interpretations thereof) currently in effect, all of which are subject to change. Any such change may have retroactive effect. The discussion is intended for general information only, and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase Notes.*

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

### IRELAND

#### *Taxation of the Issuer – Corporation Tax*

In general, Irish companies must pay corporation tax on their income at the rate of 12.5 per cent. in relation to trading income and at the rate of 25 per cent. in relation to income that is not income from a trade. However, section 110 of the Taxes Consolidation Act of 1997 of Ireland, as amended (“**TCA 1997**”) provides for special treatment in relation to qualifying companies. A qualifying company means a company:

- (a) which is resident in Ireland;
- (b) which either acquires qualifying assets from a person, holds, manages or both holds and manages, qualifying assets as a result of an arrangement with another person, or has entered into a legally enforceable arrangement with another person which itself constitutes a qualifying asset;
- (c) which carries on in Ireland a business of holding qualifying assets or managing qualifying assets or both, including in the case of plant and machinery acquired by the qualifying company, a business of leasing that plant and machinery;
- (d) which, apart from activities ancillary to that business, carries on no other activities;
- (e) which has notified an authorised officer of the Revenue Commissioners of Ireland (the “**Revenue Commissioners**”) in the prescribed format that it intends to be such a qualifying company; and
- (f) the market value of all qualifying assets held, managed, or both held and managed, by the company or the market value of qualifying assets in respect of which the company has entered into legally enforceable arrangements is not less than EUR 10,000,000 on the day on which the qualifying assets are first acquired, first held, or a legally enforceable arrangement in respect of the qualifying assets is entered into (which is itself a qualifying asset),

but a company shall not be a qualifying company if any transaction is carried out by it otherwise than by way of a bargain made at arms length apart from in relation to certain interest payments.

For this purpose, qualifying assets include assets which consist of, or of an interest (including a partnership interest) in financial assets, commodities or plant and machinery.

If a company is a qualifying company for the purpose of section 110 of the TCA 1997 (and it is expected that the Issuer will be such a company), then profits arising from its activities shall be chargeable to corporation tax under Case III of Schedule D (which is applicable to non-trading income) at a rate of 25 per cent. However, for that purpose those profits shall be computed in

accordance with the provisions applicable to Case I of the Schedule (which is applicable to trading income).

In connection with the Notes issued before 21 January 2011 or issued pursuant to a binding written agreement made before 21 January 2011, on the basis that the Issuer is and will remain a qualifying company and on the basis that the interest on the Notes:

- (a) does not represent more than a reasonable commercial return on the principal outstanding and it is not dependent on the results of the Issuer's business; or
- (b) is not paid to certain companies within the charge of Irish corporation tax as part of a scheme of tax avoidance, then

the interest in respect of the issued Notes will be deductible in determining the taxable profits of the Issuer.

In connection with Notes issued after 21 January 2011 (other than in respect of Notes issued pursuant to a binding written agreement made before 21 January 2011) the interest on the Notes will not be deductible where:

- (a) the interest represents more than a reasonable commercial return on the principal outstanding or is dependent on the results of the Issuer's business; and
- (b)
  - (i) at the time the interest is paid on the Notes, the Issuer is in possession, or aware, of information that can reasonably be taken to indicate that the payment is part of a scheme or arrangement the main benefit or one of the main benefits of which is the obtaining of a tax relief or the reduction of a tax liability the benefit of which would be expected to accrue to a person who, in relation to the Issuer is a Specified Person; or
  - (ii) the interest is paid to a person that:
    - (I) is not resident in Ireland; and
    - (II) is not a pension fund, government body or other person resident in a Relevant Territory who, under the laws of that Relevant Territory, is exempted from tax which generally applies to profits, income or gains in that territory (except where the person is a Specified Person); and

that income is not subject, without any reduction computed by reference to the amount of such interest, to a tax under the laws of a Relevant Territory, which generally applies to profits, income or gains received in the Relevant Territory by persons from outside the Relevant Territory.

The provisions at (b)(ii) above, will not apply in respect of an interest payment in respect of a quoted Eurobond within the meaning of section 64 of the TCA 1997 ("Quoted Eurobond") or a wholesale debt instrument within the meaning of section 246A of the TCA 1997 ("Wholesale Debt Instrument"), except where the interest is paid to a Specified Person and at the time the Quoted Eurobond or Wholesale Debt Instrument was issued, the Issuer was in possession, or aware, of information, including information about any arrangement or understanding in relation to ownership of the Quoted Eurobond or the Wholesale Debt Instrument after that time, which could reasonably be taken to indicate that interest which would be payable in respect of that Quoted Eurobond or Wholesale Debt Instrument would not be subject, without any reduction computed by reference to the amount of such interest, to a tax in a Relevant Territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

Where a payment is made out of the assets of the Issuer under a Return Agreement that is dependent on the results of the Issuer's business or any part of its business and that interest would not be deducted in computing the profits or gains of the Issuer if the payment was to be treated for the purposes of the Taxes Acts (other than section 246 thereof) as a payment of interest in respect of securities of the Issuer other than a Quoted Eurobond or a Wholesale Debt Instrument that was dependent on the results of the Issuer's business, that payment will be treated as a payment of interest for the purposes of the provisions set out at (a) and (b) above.

For the purposes of this Irish Taxation section, terms have the meanings as set out below:

A "**Relevant Territory**" is:

- (a) a Member State of the European Union other than Ireland;
- (b) not being such a Member State, a territory with which Ireland has signed a double taxation agreement that is in effect; and
- (c) a territory with the government of which arrangements have been made which on completion of the procedures set out in section 826(1) of the TCA 1997 will have the force of law.

A "**Return Agreement**" is a Specified Agreement whereby payments due under the Specified Agreement are dependent on the results of the Issuer's business or any part of the Issuer's business.

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

A "**Specified Person**" means (i) a company which directly or indirectly controls the Issuer or (ii) a person or connected persons from whom assets were acquired or to whom the Issuer has made loans or advances or with whom the Issuer has entered into Specified Agreements, where the aggregate value of such assets, loans, advances or agreements represents not less than 75% of the aggregate value of the qualifying assets of the Issuer.

### ***Stamp Duty***

If the Issuer is a qualifying company within the meaning of section 110 of the TCA 1997 (and it is expected that the Issuer will be such a qualifying company) no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes is used in the course of the Issuer's business.

### ***Taxation of holders of Notes - Income Tax***

In general, persons who are resident in Ireland are liable to Irish taxation on their worldwide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment.

Interest paid and discounts realised on the Notes have an Irish source and therefore interest earned and discounts realised on such Notes will be regarded as Irish source income for the purposes of Irish

tax. Accordingly, pursuant to general Irish tax rules, a non-Irish resident person in receipt of such income would be technically liable to Irish income tax (and the universal social charge if received by an individual) subject to the provisions of any applicable double tax treaty. Ireland has signed double tax treaties with 72 countries (70 of which are in effect) (see *Withholding Taxes* below) and the majority of them exempt interest (which sometimes includes discounts) from Irish tax when received by a resident of the other jurisdiction. Credit is available for any Irish tax withheld from income on account of the related income tax liability. Non-Irish resident companies, where the income is not attributable to a branch or agency of the company in Ireland, are subject to income tax at the standard rate. Therefore any withholding tax suffered should be equal to and in satisfaction of the full income tax liability. (Non-Irish resident companies operating in Ireland through a branch or agency of the company in Ireland to which the income is attributable would be subject to Irish corporation tax).

There is an exemption from Irish income tax under section 198 TCA 1997 in certain circumstances.

These circumstances include:

- (a) where interest is paid by a qualifying company within the meaning of section 110 of the TCA 1997 to a person that is not resident in Ireland and that person is resident in a Relevant Territory;
- (b) where interest is paid by a company in the ordinary course of its trade or business and the recipient of the interest is a company that is resident in a Relevant Territory and, either (i) such Relevant Territory imposes a tax that applies generally to interest receivable from sources outside that Relevant Territory or (ii) the interest paid would be exempted from the charge to Irish income tax under a double taxation treaty that is in effect, or if not yet in effect, that has been signed between Ireland and the territory in which the company is resident for tax purposes;
- (c) where the interest is exempt from withholding tax because it is payable on a Quoted Eurobond (see *Withholding Taxes* below) and is paid by a company to:
  - (i) a person resident in a Relevant Territory; or
  - (ii) a company controlled, either directly or indirectly, by persons resident in a Relevant Territory, and who are not under the control, whether directly or indirectly, of a person who is, or persons who are not so resident; or
  - (iii) a company the principal class of shares of which is substantially and regularly traded on a stock exchange in Ireland, on a recognised stock exchange in a Relevant Territory or on such other stock exchange as is approved by the Minister for Finance of Ireland; and
- (d) where discount arises on securities that are issued by a company in the ordinary course of its trade or business and the recipient is a person resident in a Relevant Territory.

Interest and discounts realised on the Notes which do not fall within the above exemptions are within the charge to Irish income tax to the extent that a double tax treaty does not exempt the interest or discount, as the case may be. However it is understood that the Revenue Commissioners have, in the past, operated a practice (as a consequence of the absence of a collection mechanism rather than adopted policy) whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

- (a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or

- (b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that the Revenue Commissioners will apply this practice in the case of the holders of Notes and, as mentioned above, there is a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment.

### *Withholding Taxes*

In general, withholding tax at the rate of 20 per cent. must be deducted from payments of yearly interest that are within the charge to Irish tax, which would include those made by an Irish company. However, section 64 of the TCA 1997 provides for the payment of interest in respect of Quoted Eurobonds without deduction of tax in certain circumstances. A Quoted Eurobond is a security which:

- (a) is issued by a company;
- (b) is quoted on a recognised stock exchange (the Irish Stock Exchange is a recognised stock exchange for this purpose); and
- (c) carries a right to interest.

There is no obligation to withhold tax on Quoted Eurobonds where:

- (a) the person by or through whom the payment is made is not in Ireland; or
- (b) the payment is made by or through a person in Ireland, and:
  - (i) the Quoted Eurobond is held in a recognised clearing system (the Revenue Commissioners have designated Euroclear and Clearstream, Luxembourg as recognised clearing systems); or
  - (ii) the person who is the beneficial owner of the Quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate declaration to this effect.

Notes which are listed on the Official List of the Irish Stock Exchange and cleared through Euroclear and/or Clearstream, Luxembourg will qualify as Quoted Eurobonds and the payment of interest in respect of such Notes should be capable of being made without withholding tax, regardless of where the Noteholder is resident.

Separately, section 246 of the TCA 1997 ("**Section 246**") provides certain exemptions from this general obligation to withhold tax. Section 246 provides an exemption in respect of interest payments made by a qualifying company within the meaning of section 110 of the TCA 1997 to a person resident in a Relevant Territory except where that person is a company and the interest is paid to the company in connection with a trade or business carried on in Ireland by that company through a branch or agency. Also Section 246 provides an exemption in respect of interest payments made by a company in the ordinary course of business carried on by it to a company resident in a Relevant Territory and either (i) such Relevant Territory imposes a tax which generally applies to interest receivable from sources outside the Relevant Territory or (ii) the interest paid would be exempted from the charge to Irish income tax under a double taxation treaty that is in effect, or, if not yet in effect, that has been

signed between Ireland and the territory in which the company is resident for tax purposes except where the interest is paid to the company in connection with a trade or business carried on in Ireland by that company through a branch or agency. As of the Closing Date, Ireland has signed a double tax treaty with each of Albania, Armenia, Australia, Austria, Bahrain, Belarus, Belgium, Bosnia & Herzegovina, Botswana (signed but not yet in effect), Bulgaria, Canada, China, Chile, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Ethiopia (signed but not yet in effect), Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, Israel, India, Italy, Japan, Korea (Rep. of), Kuwait, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Mexico, Moldova, Montenegro, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Panama, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States of America, Uzbekistan, Vietnam and Zambia. Negotiations for new agreements with Azerbaijan, Ghana, Kazakhstan, Oman and Turkmenistan are at various stages.

Discounts realised on the Notes will not be subject to Irish withholding tax.

### ***Encashment Tax***

Interest on any Note which qualifies for exemption from withholding tax on interest as a Quoted Eurobond (see above) realised or collected by an agent in Ireland on behalf of a Noteholder will generally be subject to a withholding at the standard rate of Irish income tax (currently 20 per cent.). This is unless the beneficial owner of the Note that is entitled to the interest is not resident in Ireland and makes a declaration in the required form. This is provided that such interest is not deemed, under the provisions of Irish tax legislation, to be the income of another person that is resident in Ireland.

### ***Capital Gains Tax***

A holder of a Note will not be subject to Irish taxes on capital gains provided that such holder is neither resident nor ordinarily resident in Ireland and such holder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent establishment to which or to whom the Notes are attributable.

### ***Capital Acquisitions Tax***

If the Notes are comprised in a gift or inheritance taken from an Irish resident or ordinarily resident disponent or if the disponent's successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situate in Ireland, the disponent's successor (primarily), or the disponent, may be liable to Irish capital acquisitions tax. Notes in registered form would be regarded as property situate in Ireland if the principal register of the Notes is maintained in Ireland; bearer Notes would be regarded as property situate in Ireland if the Notes were ever to be physically kept or located in Ireland with a depository or otherwise.

For the purposes of capital acquisitions tax, under current legislation a non-Irish domiciled person will not be treated as resident or ordinarily resident in Ireland for the purposes of the applicable legislation except where that person has been resident in Ireland for the purposes of Irish tax for the 5 consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls.

### ***Value Added Tax***

The provision of financial services is an exempt transaction for the purposes of Value Added Tax in Ireland ("**Irish VAT**") purposes. Accordingly, the Issuer should not be entitled to recover Irish VAT suffered. However, to the extent that income receivable by the Issuer is derived from non-EU sources, the Issuer should be entitled to recover a proportion of Irish VAT suffered. The Issuer should

be required to account for Irish VAT on a “**self supply**” basis on certain services received from abroad which are deemed to have an Irish place of supply.

### **Automatic Exchange of Information for Tax Purposes**

Pursuant to EU Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Tax Directive**”), Member States were required to provide to the tax authorities of another Member State details of payments of interest (or similar income which may include distributions by a company) paid by a person within its jurisdiction to an individual resident in that other Member State.

On 10 November 2015 the Council of the European Union adopted a Council Directive repealing the Savings Tax Directive from 1 January 2017, in the case of Austria and from 1 January 2016, in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates).

This is to prevent overlap between the Savings Tax Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) (“**DAC2**”). DAC2 provides for the implementation among EU member states (and certain third countries that have entered into information exchange agreements) of the automatic exchange of information in respect of various categories of income and capital and broadly encompasses the regime known as the Common Reporting Standard (“**CRS**”) proposed by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions. DAC2 is generally broader in scope than the Savings Tax Directive, although it does not impose withholding taxes.

Under the CRS, governments of participating jurisdictions (currently more than 100 jurisdictions) are required to collect detailed information to be shared with other jurisdictions annually. A group of over 40 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 with the first data exchanges taking place in September 2017. All EU member states, except Austria introduced the CRS from 1 January 2016. Austria will introduce CRS from 1 January 2017.

CRS is implemented in Ireland pursuant to the Returns of Certain Information by Reporting Financial Institutions Regulations 2015, S.I. 583 of 2015, made under Section 891F of the TCA 1997.

DAC2 is implemented in Ireland pursuant to the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations of 2015, S.I. No. 609 of 2015 made under Section 891G of the TCA 1997.

Pursuant to these Regulations, the Issuer will be required to obtain and report to the Revenue Commissioners annually certain financial account and other information for all new and existing accountholders in respect of the Notes. The first returns must be submitted on or before 30 June 2017 with respect to the year ended 31 December 2016. The information will include amongst other things, details of the name, address, taxpayer identification number (“**TIN**”), place of residence and, in the case of accountholders who are individuals, the date and place of birth, together with details relating to payments made to accountholders and their holdings. This information may be shared with tax authorities in other EU Member States (and in certain third countries subject to the terms of Information Exchange Agreements entered into with those countries) and jurisdictions which implement the CRS.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### 1. Initial Issue of Notes

Each Series of Bearer Notes will initially be represented by a Temporary Global Note, unless the relevant Final Terms or Series Offering Document, as applicable, specifies otherwise, in bearer form without Coupons, which will be deposited on behalf of the subscribers of the relevant Notes (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream, Luxembourg with a common depositary (the “**Common Depositary**”) for Euroclear and for Clearstream, Luxembourg on or about the issue date of the relevant Notes or (b) in the case of a Series intended to be cleared through a clearing system other than Euroclear or Clearstream, Luxembourg or delivered outside a clearing system as agreed between the Issuer, the Principal Paying Agent and the relevant Dealer(s). No interest will be payable in respect of a Temporary Global Note, except as provided below.

Upon the initial deposit of a Temporary Global Note with the Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear or Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will be obliged to credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

The Temporary Global Note contains provisions which apply to the Bearer Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus.

Each Series of Notes in registered form may be represented (i) by one or more Global Certificates in registered form without Coupons, deposited on the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee for the common depositary for Euroclear and Clearstream, Luxembourg or (ii) by Individual Certificates, as specified in the relevant Final Terms or Series Offering Document, as applicable.

### 2. Relationship of Accountholders with Clearing Systems

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

So long as the Notes are represented by a temporary Global Note, permanent Global Note or Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in the relevant Final Terms or Series Offering Document, as applicable, and integral multiples of the Tradeable Amount in excess thereof provided in the relevant Final Terms or Series Offering Document, as applicable.



### 3. Exchange

#### Temporary Global Notes and Permanent Global Notes

Each Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note or, if specified in the Final Terms or Series Offering Document, as applicable, and so provided in a Temporary Global Note, for Definitive Notes (at the cost and expense of the Issuer) after the date falling 40 days after the issue date of the Notes upon certification as to non-U.S. beneficial ownership in the form scheduled to the Trust Deed, in the case of exchange for Definitive Bearer Notes (as specified in the Final Terms or Series Offering Document, as applicable), or on or promptly after the issue date, in the case of exchange for Individual Certificates (as specified in the Final Terms or Series Offering Document, as applicable). Each Permanent Global Note will be exchangeable at the cost and expense of the Issuer (i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, or (ii) if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of applicable law which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two authorised officers of the Issuer is delivered to the Principal Paying Agent for display to Noteholders.

On or after the Exchange Date the holder of a Permanent Global Note may, if so specified in the Final Terms or Series Offering Document, as applicable, surrender such Permanent Global Note, or in the case of a partial exchange, present it for endorsement to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note, or the part thereof to be exchanged, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Bearer Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note).

*In the event that the Permanent Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denominations only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.*

#### Global Certificates

Each Global Certificate will be exchangeable on or after its Exchange Date in whole but not, except as provided under “*Partial Exchange of Permanent Global Notes and Global Certificates*”, in part for Individual Certificates:

- (i) by the Issuer giving notice to the Noteholders, the Registrar, the Principal Paying Agent and the Trustee of its intention to effect such exchange;
- (ii) if the relevant Final Terms or Series Offering Document, as applicable, provides that such Global Certificate is exchangeable at the request of the holder, by the holder giving notice to the Registrar and the Principal Paying Agent of its election for such exchange; and
- (iii) otherwise, if the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of

holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In such circumstances, the relevant Global Certificate shall be exchanged for Individual Certificates and the Issuer will, free of charge against such indemnity as the Registrar, the Principal Paying Agent or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange, cause sufficient Individual Certificates to be executed and delivered to the Principal Paying Agent or the Registrar for completion, authentication and dispatch to the relevant Noteholders. The relevant Noteholder must provide the Principal Paying Agent or the Registrar with a written order containing instructions and such other information as the Issuer and the Principal Paying Agent or the Registrar may require to complete, execute and deliver such Individual Certificates.

**“Exchange Date”** means, in relation to a Temporary Global Note, a day falling after the expiry of 40 days after its issue date, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days and in relation to a Global Certificate, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent or, as the case may be, the Registrar is located and in the city in which the relevant clearing system is located.

#### **Delivery of Definitive Bearer Notes and Individual Certificates**

On or after any due date for exchange (a) the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Principal Paying Agent and (b) the holder of any Global Certificate may, in the case of exchange in full, surrender such Global Certificate. In exchange for any Global Note or Global Certificate, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note or a Global Certificate exchangeable for Definitive Bearer Notes or Individual Certificates, as the case may be, procure the delivery of the relevant Definitive Bearer Notes or Individual Certificates. Definitive Bearer Notes will be security printed and Individual Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Bearer Notes and/or Individual Certificates.

#### **Legend**

Each Permanent Global Note and any Bearer Note and Coupon will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

The sections of the U.S. Internal Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised on any sale, exchange or redemption of Bearer Notes or any related Coupons.

4. **Partial Exchange of Permanent Global Notes and Global Certificates**

For so long as a Permanent Global Note or Global Certificate is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note or Global Certificate is obliged to be exchangeable in part on one or more occasions (1) in the case of a Permanent Global Note, for Individual Certificates if the Permanent Global Note is exchangeable for Registered Notes and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Bearer Notes or Individual Certificates, as the case may be, if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms or Series Offering Document, as applicable).

5. **Presentation and surrender of Notes**

If the Notes represented by the Permanent Global Note are Bearer Notes exchangeable for Registered Notes or if the Notes represented by a Permanent Global Note or Global Certificate are Exchangeable Notes or Puttable Notes, the holder of the Permanent Global Note or Global Certificate will present the Permanent Global Note or Global Certificate to or to the order of the Principal Paying Agent in order to effect presentation and surrender of the Notes represented by the Permanent Global Note or Global Certificate for the purposes of the Conditions. The date on which and the principal amount of the Notes in respect of which the Permanent Global Note or Global Certificate was presented will be endorsed on the appropriate schedule to the Permanent Global Note or Global Certificate. On the Settlement Date, in the case of Exchangeable Notes, and on the Optional Redemption Date, in the case of Puttable Notes, the holder of the Permanent Global Note or Global Certificate is obliged to present it to or to the order of the Principal Paying Agent again and the reduction in the principal amount of the Notes outstanding will be endorsed by the Principal Paying Agent in the appropriate schedule.

6. **Payments**

No payment falling due more than 40 days after the issue date will be made on any Temporary Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Bearer Notes or Individual Certificates is improperly withheld or refused. Payments on any Temporary Global Note during the period up to 40 days after its issue date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form scheduled to the Trust Deed. All payments in respect of Bearer Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bearer Notes, surrender of that Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Bearer Notes.

7. **Notices**

So long as any Notes are represented by a Temporary or Permanent Global Note or a Global Certificate, as the case may be, and such Global Note or the Notes represented by the Global Certificate is held on behalf of a clearing system, notices to holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery to the relevant holder of the Global Note or the Notes represented by the Global Certificate, as the case may be, except that so long as the Notes are listed on the Official List of the Irish Stock Exchange p.l.c. and the rules of that exchange so require, notices shall also be published in a leading newspaper having general circulation in Ireland (which is expected to be *The Irish Times*). Any notice delivered to Euroclear and/or Clearstream, Luxembourg or

other Clearing System (if any) as aforesaid shall be deemed to have been given on the day on which it is delivered to the Common Depositary.

8. **Prescription Period**

Claims against the Issuer in respect of payments on the Bearer Notes while the Bearer Notes are represented by a Global Note will become void unless presented for payment within a period of 10 years (in the case of principal and premium) and five years (in the case of interest) from the appropriate Relevant Date.

9. **Meetings**

The holder of a Global Note or of the Notes represented by a Global Certificate will be treated as being one for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as holding or representing such principal amount of Notes of the Series in respect of which the holder exercises votes (up to the maximum of the principal amount of the Series then represented thereby).

10. **Purchase and Cancellation**

Cancellation of any Note required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the relevant Global Note or, in the case of Registered Notes, by an appropriate entry in the Register.

11. **Issuer Option**

If any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system through which interests in the relevant Global Note or Global Certificate are held will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominee amount, at their discretion) or any Alternative Clearing System (as the case may be).

12. **Noteholders' Option**

Any Noteholders' option may be exercised by the holder of any Global Note or Global Certificate giving notice to the Principal Paying Agent or the Registrar, as the case may be, of the principal amount of Notes in respect of which the option is exercised and presenting such Global Note or Global Certificate for endorsement of exercise or (in the case of a Global Certificate) cancellation and reissue within the time limits specified in the Conditions.

13. **Tradable Amounts**

So long as the Notes are represented by a Temporary Global Note, Permanent Global Note or Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and integral multiples of the Tradeable Amount specified in the relevant Final Terms or Series Offering Document, as applicable.

## SUBSCRIPTION AND SALE

### Introduction

In relation to Notes issued by the Issuer, subject to the terms and conditions contained in a dealer agreement originally dated 21 September 2006, as most recently amended and restated on 4 November 2016, as may be further amended and supplemented from time to time (the “**Dealer Agreement**”) made between the Issuer and KBC Bank NV (the “**Initial Dealer**” and together with any further financial institution appointed as dealer under the Dealer Agreement, the “**Dealers**”), the Notes may be sold by the Issuer to the Dealers, who shall act as principals in relation to such sales. The Dealer Agreement also provides for Notes to be issued in Series which are jointly and severally underwritten by two or more Dealers. In the event that an issue of Notes is sold only in part to Dealers, information to this effect shall be included in the relevant Final Terms or Series Offering Document, as applicable, for such issue.

The Issuer will pay a Dealer a commission as agreed between the Issuer and a Dealer in respect of the Notes subscribed by it.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by the Issuer or, in relation to itself and itself only, by any Dealer, at any time on giving not less than 30 business days’ notice.

The names or names of the Dealer or Dealers (if any) of the Notes, the Issue Price of the Notes and, if listed, any commissions payable in respect thereof will be specified in the relevant Final Terms or Series Offering Document, as applicable.

### General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries. None of the Issuer or any other Dealer shall have any responsibility therefor.

None of the Issuer or any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the relevant Final Terms or Series Offering Document, as applicable.

In particular (but without limiting the generality of the above), subject to any amendment or supplement which may be agreed with the Issuer in respect of the issue of any Tranche, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, to comply with the following provisions except to the extent that, as a result of any change in, or the official interpretation of, any applicable laws and/or regulations, non-compliance would not result in any breach of the applicable laws and/or regulations.

## United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act. The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder. The Notes may not be directly or indirectly offered or sold, transferred, delivered to or for the benefit of a person if such transaction will establish for the Issuer a “US Reportable Account” as this term is defined in the US legislation known as FATCA (Foreign Account Tax Compliance Act).

## 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**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 Base Prospectus as completed by the final terms in relation thereto 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) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer; (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus 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 and 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.

## **Ireland**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not underwrite, offer, place or do anything with respect to the Notes:

- (a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), as amended (the “**MiFID Regulations**”) if operating in or otherwise involving Ireland;
- (b) otherwise than in compliance with all applicable provisions of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as amended (“**MiFID**”) and implementing measures and if acting under and within the terms of an authorisation for the purposes of MiFID, the terms of that authorisation and any applicable codes of conduct or practice and any applicable requirements of the MiFID Regulations or as imposed, or deemed to have been imposed, by the Central Bank pursuant to the MiFID Regulations and,
- (c) otherwise than in compliance with the Central Bank Acts 1942 to 2015 including any codes of conduct or practice made under Section 117(1) of the Central Bank Act 1989 of Ireland (as amended);
- (d) otherwise than in conformity with the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and with the European Union (Market Abuse) Regulations 2016 of Ireland and any rules made by the Central Bank in connection therewith, including any rules issued under section 1370 of the Companies Act 2014 of Ireland (as amended) by the Central Bank;
- (e) otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland, as amended, and any rules issued under Section 1363 of the Companies Act 2014 of Ireland; and
- (f) otherwise than in compliance with the provisions of the Companies Act 2014 of Ireland.

## **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that: (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer; (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement

to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.



## GENERAL INFORMATION

- (1) It is expected that each Tranche of Notes which is to be listed on the Official List and admitted to trading on the regulated market of the Irish Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes or a Global Certificate or Individual Certificate initially representing the Notes of such Tranche. The approval of the Programme in respect of Notes is expected to be granted on or before 4 November 2016. The Programme provides that Notes may be listed on such further or other stock exchange(s) or admitted to trading on such further or other markets as the Issuer may decide. The Issuer may also issue unlisted Notes and Notes which are not admitted to trading on any market.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Ireland in connection with the establishment of the Programme and the issue and performance of Notes under the Programme. The establishment and update of the Programme and the issue of Notes under the Programme was authorised by resolutions of the Board of Directors of the Issuer passed on 20 September 2006, 10 October 2007, 18 June 2009, 27 January 2010, 7 March 2011, 26 April 2012, 3 July 2013, 11 August 2014, 24 September 2015 and 1 November 2016.
- (3) There has been no material adverse change in the financial position or prospects of the Issuer since the date of its last published audited financial statements, being for its financial year ended 30 April 2016. A copy of these financial statements has been filed with the Irish Stock Exchange.
- (4) The Issuer is not nor has it been since the date of its incorporation, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have had in the recent past, significant effects on the Issuer's financial position or profitability.
- (5) Each Bearer Note, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) It is expected by the Issuer that all Bearer Notes and Registered Notes will be accepted for clearing through Euroclear and Clearstream, Luxembourg, or other clearing system specified in the relevant Final Terms or Series Offering Document, as applicable. The Common Code for each Bearer Series of Notes, together with the relevant ISIN number and the CUSIP number and/or CINS number for each Series of Registered Notes, will be contained in the Final Terms or Series Offering Document, as applicable, relating thereto.
- (7) From the date hereof and for as long as the Programme remains in effect or any Notes issued thereunder remain outstanding, the following documents will be available for inspection in physical form, during usual business hours on any weekday (Saturdays and Sundays and public holidays excepted) for inspection at the registered office of the Issuer, and the Specified Office of the Principal Paying Agent:
  - (ii) the Master Trust Deed;
  - (iii) any Supplemental Trust Deed;
  - (iv) the Agency Agreement;
  - (v) the Dealer Agreement;

- (vi) the Portfolio Management Agreement;
  - (vii) the Master Definitions and Common Terms Agreement;
  - (viii) the General Pledge Agreement;
  - (ix) any Specific Pledge Agreement;
  - (x) any Swap Agreement;
  - (xi) the Securities Lending Agency Agreement;
  - (xii) each Master Securities Lending Agreement;
  - (xiii) each security agreement relating to the Short Portfolio Cash Collateral Account and Short Portfolio Reinvestment Collateral Account;
  - (xiv) each security agreement relating to the Long Portfolio Cash Collateral Account and Long Portfolio Reinvestment Collateral Account;
  - (xv) each security agreement relating to a Specific Portfolio Cash Collateral Account and Specific Portfolio Reinvestment Collateral Account;
  - (xvi) the constitutional documents of the Issuer (being its certificate of incorporation and memorandum and articles of association);
  - (xvii) each Final Terms for Notes which are outstanding and are listed on the Official List of the Irish Stock Exchange p.l.c.;
  - (xviii) any Series Offering Document for Notes which are outstanding and are listed on the Official List of the Irish Stock Exchange p.l.c.;
  - (xix) a copy of this Base Prospectus;
  - (xx) all reports, letters, other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in the Base Prospectus; and
  - (xxi) the audited financial statements of the Issuer for the period ended 30 April 2016 and the year ended 30 April 2015.
- (8) The Issuer does not intend to provide any post-issuance information in relation to the Notes or the Charged Assets.
- (9) The language of the Base Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Base Prospectus.
- (10) No website referred to in the Base Prospectus forms part of the Base Prospectus for the purposes of listing of the Notes on the Irish Stock Exchange.

**Arranger and Dealer**

**KBC Bank NV**

Havenlaan 2  
B-1080 Brussels  
Belgium

**Registered Office of the Issuer**

**Silverstate Financial Investments p.l.c.**

4<sup>th</sup> Floor, Hanover Building  
Windmill Lane  
Dublin 2  
Ireland

**Trustee**

**BNY Mellon Corporate Trustee Services Limited**

One Canada Square  
London E14 5AL  
United Kingdom

**Portfolio Manager and Administration Agent**

**KBC Asset Management NV**

Havenlaan 2  
B-1080 Brussels  
Belgium

**Custodian**

**KBC Bank NV**

Havenlaan 2  
B-1080 Brussels  
Belgium

**Principal Paying Agent, Registrar, Transfer Agent and Calculation Agent**

**The Bank of New York Mellon**

One Canada Square  
London E14 5AL  
United Kingdom

**Listing Agent**

**McCann FitzGerald Listing Services Limited**

Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Legal Advisers**

*To the Issuer, the Arranger and the Dealers as to Irish  
law*

*To the Trustee as to Irish law*

**McCann FitzGerald**

Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Matheson**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Auditors of the Issuer**

**Deloitte**

Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland