

SECURITIES NOTE

Issue Date: 21 February 2017

Date of Securities Note: 10 March 2017

ELVA FUNDING PLC

(a public limited company under the laws of Ireland with a registered number of 376213)

issue under

€20,000,000,000 Asset-Backed Medium Term Note Programme

of

Series 2017-1 USD 30,000,000 Secured Floating Rate Notes due 2020
(the "Notes")

The Notes are secured primarily by the Swap Agreement (as defined on page 19 below)

Issue Price: 100 per cent.

*The Securities Note prepared pursuant to the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "**Prospectus Regulations**") will be available from the website of the Central Bank. This Securities Note is prepared in connection with the €20,000,000,000 Asset-Backed Medium Term Note Programme of Elva Funding plc and should be read in conjunction with the Registration Document dated 7 February 2017 (the "**Registration Document**") issued by Elva Funding plc (the "**Issuer**"). Terms defined in the Registration Document have the same meanings when used in this Securities Note.*

This Securities Note has been prepared for the purpose of giving information about the issue of the Notes.

*This Securities Note has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). The Central Bank only approves this securities note as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This document constitutes a securities note (the "**Securities Note**") for the purposes of the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Notes issued under this this Securities Note to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**").*

*It is expected that the Notes will be issued with a rating of "A+" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and any successor or successors thereto ("**S&P**"). The rating assigned to the Notes by S&P addresses the payment of principal and interest pursuant to the Transaction Documents. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by S&P.*

*S&P is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit ratings (as amended) ("**CRA Regulation**"). Standard and Poor's is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.*

Investors should take into account, when making a decision as to whether or not to invest in the Notes, amongst other things, the matters set out in "Risk Factors" below.

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). The Notes may not at any time be offered, sold or delivered within the United States or to U.S. Persons (as defined on page 57 below).*

This Securities Note has been prepared by the Issuer for use in connection with the offering of the Notes described herein (the "**Offering**"). Each of the Issuer and the Dealer reserves the right to reject any offer to purchase Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of the Notes offered hereby. This Securities Note is personal to each offeree to whom it has been delivered by the Issuer, the Dealer or any affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Securities Note to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Any reproduction or distribution of this Securities Note in whole or in part and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the securities offered herein is prohibited.

The Dealer expects to privately place the Notes and may do so in individually negotiated transactions at prices other than the Issue Price set out herein.

*Morgan Stanley & Co. International plc (the "**Dealer**") delivered the Notes to purchasers on or about 21 February 2017.*

MORGAN STANLEY

The Issuer accepts responsibility for the information contained in this Securities Note. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information set out under the headings "Overview of Parties to the Transaction" has been provided to the Issuer by the parties named in those sections and the Issuer makes no representation in relation to such information. Each of the parties named in the section headed "Overview of Parties to the Transaction" takes responsibility for the information relating to themselves under that section and, to the best of the knowledge and belief of each of them, the information set out under the relevant heading in respect of them is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer has only made very limited queries with regards to the accuracy and completeness of the information set out under the heading "Overview of Parties to the Transaction" (the "Third Party Information"). This information has been accurately reproduced from publicly available information identified by the relevant entities and, so far as the Issuer is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading. Prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the Third Party Information.

No representation is made that this Securities Note may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, and no assumption is made of any responsibility for facilitating any such distribution or offering. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Securities Note nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

No person has been authorised to give any information or to make representations other than those contained in this Securities Note in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or any of the parties mentioned herein.

Neither the delivery of this Securities Note nor any sale made in connection herewith shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date of this Securities Note.

Before making an investment decision, prospective purchasers should inform themselves about, and make a detailed evaluation of, the nature and financial position of the Swap Counterparty, the Eligibility Criteria relating to the ROs (and consequently the Underlying Assets) and the Related Agreements (each as defined herein). None of the Issuer, the Trustee or the Dealer has had any access to any obligor of the Underlying Assets for the purposes of rendering any such investigation nor makes any representations as to the financial condition or creditworthiness of any such obligor. In addition, prospective purchasers should consider the nature and financial position of the Issuer of the Notes as well as the terms and conditions of the Notes and any other related transaction documents described below.

"Underlying Assets" means (i) initially on the Issue Date, the cash issue proceeds of the Notes, (ii) as at the date of this Securities Note, Classes E and Class F Commercial Mortgage Pass-Through Certificates, Series 2016-SFP issued by Hilton USA Trust 2016-SFP (CUSIPs: 43289VAQ6; 43289VAS2) and (iii)

following the date of this Securities Notes, either the Underlying Assets specified in (ii) above or such other assets as may be purchased by or on behalf of the Issuer in accordance with the Conditions in order to hedge its obligations under the Trade Documents.

This Securities Note contains summaries of and reference to certain provisions of other documents executed in relation to the Notes, such as the Supplemental Trust Deed (as defined on page 13 below). Such summaries and references are subject to the actual provisions of each such document, copies of which are available for inspection at the specified office of the Principal Paying Agent. Holders of the Notes to which this Securities Note relates, and any other person into whose possession this Securities Note comes, will be deemed to have notice of all provisions of the documents executed in relation to the Notes which may be relevant to a decision to acquire, hold or dispose of any of the Notes.

Whilst legal opinions relating to the issue of the Notes are being obtained with respect to certain laws of England and Ireland, no such opinions have been obtained with respect to any other laws, including the laws of the country of incorporation of any of the obligors (other than the Issuer) in respect of the Charged Assets and/or the Underlying Assets (as the case may be), the laws of the country in which the Charged Assets and/or the Underlying Assets are situated or the laws which are expressed to govern the Charged Assets and/or the Underlying Assets, any of which, depending upon the circumstances, may affect, inter alia, the validity and legal and binding effect of the Charged Assets and/or the Underlying Assets and the effectiveness and ranking of the security for the Notes.

This Securities Note does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Securities Note in any jurisdiction where such action is required. This Securities Note which is dated 10 March 2017 may not be used for any purpose other than the provision of information in relation to the issue of the Notes and related transactions described herein.

This communication is directed only at persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to the investments or (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

There can be no assurance that the amount payable on any redemption of the Notes or any early redemption or enforcement of the security therefor will be equal to or greater than the Issue Price or the then current outstanding principal amount of the Notes.

Upon approval of this Securities Note by the Central Bank, this Securities Note will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Regulations.

The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank.

EACH PURCHASER OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH SECURITIES OR POSSESSES OR DISTRIBUTES THIS BASE PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE

PURCHASE, OFFER OR SALE BY IT OF SUCH SECURITIES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE DEALER OR THE TRUSTEE SPECIFIED HEREIN (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED HEREIN AND AS PERMITTED UNDER THE SECURITIES ACT 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

CONTENTS

	Page
Risk Factors.....	7
Description of the Transaction Documents	13
Applicable Supplement	14
Annex 1 to the Applicable Supplement.....	22
Annex 2 to the Applicable Supplement.....	27
Description of the Related Agreements.....	29
Use of Proceeds	32
Form of Swap Confirmation.....	33
Book-Entry Clearance Procedures	50
Tax Considerations.....	52
Subscription and Sale	58
Transfer Restrictions	60
Overview of Parties to the Transaction	62
General Information	64
Index of Defined Terms.....	66

RISK FACTORS

The following is a description of certain additional aspects of the issue of the Notes of which any prospective Noteholder should be aware. It is not intended to be exhaustive and any prospective Noteholder should also read the detailed information set out elsewhere in this document and take its own tax, legal and other relevant advice as to the structure and viability of an investment in the Notes.

1. Credit Considerations

Suitability

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes in which they are investing 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. Each Noteholder should have sufficient knowledge, experience and professional advice to make its own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Notes and in purchasing the Notes is not relying on either the views or advice of, or any information with respect to, the Issuer, the Swap Agreement or the Dealer. .

Obligations of the Issuer

The Notes are solely the obligations of the Issuer. In particular, the Notes are not the obligations or responsibility of, or guaranteed by, the Trustee, the Custodian, the Arranger, the shareholders of the Issuer, the Dealer, the Principal Paying Agent, the Registrar, the Determination Agent, the Calculation Agent, the issuer of any Underlying Assets or the Swap Counterparty. Apart from the Issuer, none of these persons will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Each Noteholder will be deemed to have represented that it has made its own independent assessment as to whether purchasing the Notes is appropriate for it based upon its own judgment and upon advice from such advisers as it considers necessary. None of the Issuer, the Trustee, the Swap Counterparty, the Dealer or the Determination Agent is acting as a financial adviser or in a fiduciary capacity in relation to the Notes in respect of any investor or potential investor. Each Noteholder will also be deemed to have represented that it is not relying on any communication (written or oral) made by the Issuer as constituting either investment advice or a recommendation to purchase the Notes. No communication (written or oral) received by the Noteholders from the Issuer constitutes an assurance or guarantee as to the expected results or likely return under the Notes.

Subordination of the Notes

Payments of interest and principal in respect of the Notes are subordinated to the payment of certain amounts payable by the Issuer as set out in the relevant Orders of Priority specified in Special Condition 2.2 (*Pre and Post Enforcement Waterfalls*) as set out in Annex 1 to the Applicable Supplement.

There can be no assurance that the Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes.

Reliance on the Swap Agreement

On or about the Issue Date, the Issuer and the Swap Counterparty will enter into a Swap Agreement which will comprise, *inter alia*, a total return swap facility (the "**TRS Facility**") pursuant to which one or more total return swap transactions may be entered into (each a "**TRS Transaction**").

The effective date of each TRS Transaction shall be subject to the consent of the Issuer, which shall be deemed to be given in the event that a firm offer price is made available (by the Swap Calculation Agent or an independent third party) for the sale to the Issuer of an asset Equivalent (as defined below) to the "Reference Obligation ("**RO**") to be the subject of the relevant TRS Transaction. In respect of each such firm offer, although not required to do so, the Issuer shall, in order to hedge its obligations under the Trade Documents, submit a corresponding firm bid and, using the relevant portion of net issue proceeds of the Notes, purchase such Equivalent asset (such asset once purchased, an Underlying Asset in respect of the Notes). For the purposes of the foregoing an asset is "**Equivalent**" to the RO if it is (i) of the same issuer or other obligor, (ii) part of the same issue or borrowing and (iii) of an identical type, nominal value, description and amount of the RO.

During the term of each TRS Transaction, the Issuer will pay to the Swap Counterparty all net interest, principal and any other amounts which a hypothetical holder of each RO subject to such TRS Transaction would actually have received in exchange for floating payments to be paid by the Swap Counterparty under the relevant TRS Facility which will match the Issuer's interest payment obligations in respect of the Notes. Upon termination of the TRS Facility (and each TRS Transaction), termination payments shall be payable between the Swap Counterparty and the Issuer which are structured to result in the Issuer being put in funds for the payment of the Redemption Amount due on the Notes.

In relation to each RO not denominated in U.S. Dollars, the Issuer and the Swap Counterparty shall enter into a cross-currency swap transaction (a "**CCS Transaction**") pursuant to which (i) on the date such RO is added, the Swap Counterparty shall pay the Issuer the purchase price of such RO and Issuer shall pay the U.S. Dollar equivalent of the clean price of such RO, converted at a specified currency exchange rate (the "**Initial FX Rate**") and (ii) in respect of any interim exchange or termination under the TRS Transaction relating to such RO, the Issuer and the Swap Counterparty shall convert any amount received under the TRS Transaction to U.S. Dollars at the Initial FX Rate.

The ability of the Issuer to meet its payment obligations in respect of the Notes is therefore primarily dependent on the performance by the Swap Counterparty of its obligations under the Swap Agreement. Only upon a default by the Swap Counterparty will the Issuer be dependent on the realisation proceeds of the Underlying Assets in order to satisfy its payment obligations on the Notes.

Eligible collateral posted to the Issuer under the CSA not part of the Security

The Swap Agreement comprises a Credit Support Annex (Bilateral Form – Transfer) (the "**CSA**") governed by English law pursuant to which the Issuer or the Swap Counterparty, as applicable, will be required to transfer eligible collateral (as specified in the CSA) to collateralise the receiving party's mark-to-market exposure in respect of the TRS Facility and each relevant TRS Transaction, provided that the Issuer shall not be required to transfer eligible collateral having a value in excess of the Underlying Assets (less any accrued but unpaid interest thereon).

In addition, in respect of each TRS Transaction and as of any date of determination, the Swap Counterparty shall transfer to the Issuer an Independent Amount consist of cash in the Specified Currency only, which the Issuer shall use to purchase additional Underlying Assets (equivalent to the RO in respect of the relevant TRS Transaction). The Independent Amount required to be maintained by the Swap Counterparty as of any date of determination may change as a result of changes in the IA Percentage and Notional Amount of the relevant TRS Transaction.

Where the Swap Counterparty has transferred collateral to the Issuer under the terms of the CSA, such collateral does not form part of the Security and is not available for distribution to the Secured Creditors, except to the extent that such collateral is required to fund a termination payment due by the Swap Counterparty to the Issuer following an early termination of the Swap Agreement. Following an early termination of the Swap Agreement, any collateral previously posted by the Swap Counterparty to the Issuer

will be used to satisfy any early termination amount due from the Swap Counterparty and any excess will be returned to the Swap Counterparty.

Early Redemption in Certain Circumstances

The Notes are subject to early redemption upon the occurrence of any of the Mandatory Redemption Events specified in this Securities Note or upon the occurrence of an Event of Default. Mandatory Redemption Events include (but are not limited to) termination of the Swap Agreement and certain tax related events that affect the Swap Agreement or the Notes.

In any such circumstances, the Underlying Assets may be liquidated by the Determination Agent and the Swap Agreement may be terminated. Upon termination of the Swap Agreement, a termination payment may be payable to or by the Issuer. Upon such liquidation and termination of the Swap Agreement, the proceeds will be applied in accordance with the Order of Priority set out in Special Condition 2.2 (*Pre and Post Enforcement Waterfalls*) as set out in Annex 1 to the Applicable Supplement. The net proceeds (if any) of the liquidation of the Underlying Assets and any termination payment under the Swap Agreement may be insufficient to pay amounts due to the holders of the Notes and potential investors should be aware that the redemption amount of the notes may be less than the original investment by such holders.

Mark to Market Volatility

The mark to market value of the Notes may be affected by a number of factors including, without limitation, the credit spread observed in the market for Swap Counterparty, implied rating, and change in any other pricing parameters (including correlation and recovery rate assumptions). Mark to market values may be extremely volatile and unpredictable.

Liquidity Risk

None of the Issuer, the Swap Counterparty, the Arranger or the Dealer makes any representation as to the existence of a market for the Notes. Notwithstanding that the Arranger intends under ordinary market conditions to indicate prices in the Notes on request, there can be no assurance as to the price at which such a bid would be made or indeed that any price would be indicated in certain circumstances. The price given, if any, will be affected by many factors including, but not limited to, the Arranger's view of the creditworthiness of the Swap Counterparty the general level of interest rates and t, the remaining term of the Notes.

In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require the Issuer to register under the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Notes have not been and will not be registered under the Securities Act, any state securities laws in the United States or the securities laws of any other jurisdiction, and may not at any time be offered, sold or delivered within the United States or to U.S. Persons (as defined on page 57 below). The Notes are subject to certain transfer restrictions and each purchaser of Notes will be deemed to have made certain acknowledgements, representations and agreements. See "*Subscription and Sale*" and "*Transfer Restrictions*". Any transfer of Notes to a U.S. Person will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Note in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Note. The foregoing restrictions on the transfer of the Notes may adversely affect the ability of an investor in the Notes to dispose of the Notes in the secondary market, if any, and significantly reduce the liquidity of the Notes. As a result, the value of the Notes may be materially adversely affected.

Limited Recourse

Each Series of Notes represents separate limited recourse obligations of the Issuer. The payment of principal, interest and other amounts in respect of each Series of Notes will be made solely from amounts received in respect of the Charged Assets relating to such Series of Notes. In respect of each Series of Notes,

the fees and claims of, amongst others, the Trustee and any agent or receiver shall have priority over the claims of the relevant Noteholders in respect of the Charged Assets relating to such Series of Notes and the net proceeds (if any) of any realisation of the security for such Series of Notes may be insufficient to pay amounts due to the holders of such Notes. In such event, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, any such shortfall and the rights of the Noteholders, the Trustee and other creditors to receive any further amount in respect of such obligations shall be extinguished and none of the Noteholders, the Trustee or other creditors may take any further action to recover such amounts.

Non-Petition

None of the Noteholders, the Trustee or other creditors (nor any other person acting on behalf of any of them) shall be entitled to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, examinership, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes, the Supplemental Trust Deed or the other documents relating to the issue of the Notes, so long as the Notes are outstanding or for two years plus one day after the latest date on which any Note of any series is due to mature save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgement as to the obligations of the Issuer.

Underlying Assets

Pursuant to the terms of the Swap Agreement, the Swap Counterparty may deliver a Portfolio Adjustment Notice to the Issuer and the Swap Calculation Agent identifying an eligible RO in respect of a TRS Transaction to be entered into under the Swap Agreement. The Swap Calculation Agent will provide, or procure from a third party, a firm offer to the Issuer for the sale of an asset "Equivalent" to such eligible RO. In respect of each such firm offer, although not required to do so, the Issuer shall, in order to hedge its obligations under the Trade Documents (provided that it has sufficient funds available to it) make a firm bid and purchase such asset. Once such asset has been purchased by the Issuer, it shall constitute an Underlying Asset for the purposes of the Bonds.

The Swap Counterparty will have the on-going right to add, remove or substitute ROs pursuant to the terms of the Swap Agreement (which shall require the addition, removal or substitution of the corresponding Underlying Asset), as long as they comply with the eligibility criteria.

In the event of an early termination of the Swap Agreement as a result of a default by the Swap Counterparty under Section 5(a)(i) or 5(a)(vii) of the Swap Agreement, the Issuer will depend on the redemption and/or realisation proceeds from the sale of the relevant Underlying Assets to fund the payment of the Early Redemption Amount in accordance with the Order of Priority.

None of the Issuer, the Swap Counterparty, the Arranger or the Dealer has made any investigation into the issuers of the Underlying Assets and prospective purchasers should make their own investigations and determinations with regard to the financial condition and creditworthiness of such issuers and the full terms of the Underlying Assets based on the eligibility criteria in the Swap Agreement. The value of the Underlying Assets may fluctuate from time to time and none of the Issuer, the Trustee, the Dealer, the Custodian, the Determination Agent, the Calculation Agent or the Swap Counterparty have any obligation to maintain the value of the Underlying Assets at any particular level. None of the Issuer, the Trustee, the Dealer, the Calculation Agent, the Custodian or any of their affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Underlying Assets from time to time.

Dealings related to the Underlying Assets

Morgan Stanley will not be (nor be deemed to be acting as) the agent, fiduciary or trustee of the Issuer or the Noteholders in connection with the exercise of, or the failure to exercise, any of the rights or powers of Morgan Stanley arising under or in connection with its holding (if any) of any obligation of or interest in any

Underlying Asset. Morgan Stanley & Co. International plc in its capacity as Determination Agent does not have any fiduciary duty to the Noteholders.

Morgan Stanley and any of its affiliates (i) may deal with the issuer of any Underlying Asset, (ii) may accept information from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the issuer of any Underlying Asset and any investment manager or trustee relating to any obligation of any Underlying Asset, (iii) may have placed, underwritten, arranged or structured any obligation of any Underlying Asset when such obligations or Underlying Assets were originally issued and (iv) may act, with respect to transactions described in the preceding paragraphs (i), (ii) and (iii), in the same manner as if the Swap Agreement and the Notes did not exist and without regard as to whether such action might have an adverse effect on the Underlying Assets, any investment manager or trustee related to any Underlying Asset, the Issuer or the Noteholders.

Capacity of Morgan Stanley and its affiliates

Morgan Stanley and its affiliates are acting in a number of capacities, including as Swap Counterparty, Determination Agent, Arranger and Dealer. Morgan Stanley, acting in such capacities in connection with such transactions shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. Morgan Stanley and its affiliates, in their various capacities in connection with the contemplated transactions may enter into business dealings, including the acquisition of investment securities as contemplated by the Related Agreements, from which they may derive revenues and profits in addition to the fees stated in the various Related Agreements, without any duty to account therefor.

In addition, from time to time, Morgan Stanley and its affiliates may own a significant amount of the Notes. Morgan Stanley and its affiliates have no fiduciary obligation whatsoever to the Issuer or the Noteholders in relation to the exercise (or non exercise) of its rights as a holder of Notes.

Conflicts of interest

Under the Supplemental Trust Deed, the Trustee will hold a security interest in the property charged and assigned thereunder for the benefit of, among others, the Noteholders, whose rights in an enforcement of the security interest will be subordinate to the prior rights of certain other Secured Creditors. The Trustee will not be bound to enforce the security in respect of any Series of Notes unless requested by the Instructing Creditor. Other than where (a) the Swap Agreement is terminated in the circumstances where the Swap Counterparty is the Defaulting Party or the sole Affected Party or (b) (i) the Swap Agreement is terminated and (ii) no payments are due and payable to the Swap Counterparty following such termination, the Swap Counterparty will be the Instructing Creditor. Where the interests of the Instructing Creditor conflict with those of other Secured Creditors, the Trustee will prefer the interests of the Instructing Creditor over the other Secured Creditors.

Credit Ratings

Credit ratings represent the rating agencies' opinions regarding credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and/or interest payments and do not evaluate the risks of fluctuations in market value. Accordingly, the credit ratings may not fully reflect the true risks of an investment. In the event that a rating initially assigned to the Notes is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes and the market value of the Notes is likely to be adversely affected.

The models, assumptions, criteria and methodology used by a rating agency to rate the Notes may change from time to time and any such changes may also result in the revision, suspension or withdrawal of any rating of the Notes. None of the Issuer, the Dealer, the Swap Counterparty, the Trustee, the Registrar or the Principal Paying Agent makes any representation or gives any warranty in respect of such models,

assumptions, criteria or methodology. Accordingly, investors will not have any recourse against the Issuer, the Dealer, the Swap Counterparty, the Trustee, the Registrar or the Principal Paying Agent for any adverse ratings actions and no such person is obligated to provide any additional support or credit enhancement in respect of the Notes as a result thereof.

2. Tax Considerations

The Issuer is not obliged to pay any additional amounts for, or on account of, any payments under the Notes or the Swap Agreement that are the subject of a deduction or a withholding for or on account of any tax. The imposition of such withholding or deductions may lead to a termination of the Swap Agreement and, consequently, a mandatory redemption of the Notes.

Pursuant to the terms of the Swap Agreement, the Swap Counterparty is obliged to pay additional amount for, or on account of, any payments under the Swap Agreement that are the subject of a deduction or withholding for or on account of any tax. The imposition of such withholding or deductions may lead to a termination of the Swap Agreement and, consequently, a mandatory redemption of the Notes.

3. Expenses

The payment of anticipated up-front fees, costs and expenses of the Issuer in connection with the issue of the Notes and the entry into the Swap Agreement will be met by Morgan Stanley & Co. International plc.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

The following agreements have been entered into in relation to the Notes.

Swap Agreement – as described in "*Description of the Related Agreements*".

Supplemental Trust Deed

The Issuer has entered into a separate supplemental trust deed in respect of the Notes dated 21 February 2017 (the "**Supplemental Trust Deed**").

The Supplemental Trust Deed is supplemental to the Principal Trust Deed dated 6 October 2003 and amended and restated on 7 February 2017, between, *inter alios*, the Issuer and the Trustee. Pursuant to the terms of the Supplemental Trust Deed, the Issuer issues the Notes and grants security over the Charged Assets relating to the Notes. The Supplemental Trust Deed provides that the obligations of the Issuer are secured by, *inter alia*, the following security interests (the "**Security**"):

- (i) a mortgage and charge by way of first fixed security over all of the Issuer's rights, title and interest (both present and future) in and to any Underlying Assets and all sums derived therefrom;
- (ii) an assignment by way of first fixed security of all of the Issuer's rights, title and interest (both present and future, insofar as the same relate to the Notes or the Underlying Assets) in the Custody Agreement, the Programme Dealer Agreement, the Corporate Services Agreement and the Agency Agreement (including the Issuer's rights to any sums held by the Paying Agents to meet payments due in respect of the Notes) and all sums derived therefrom (if any); and
- (iii) an assignment by way of first fixed security of all the Issuer's rights, title and interest (both present and future) in and to the Swap Agreement and all sums derived therefrom, subject to any rights of netting agreed between the parties therein,

(all of which comprise the "**Charged Assets**" for the Notes).

Dealer Agreement

The Issuer and the Dealer entered into the Programme Dealer Agreement dated 6 October 2003 and amended and restated on 7 February 2017 (the "**Dealer Agreement**"). Pursuant to the terms of the Dealer Agreement, the Dealer has agreed to subscribe for the Notes of the Issuer and may carry out, although it has no obligation to do so, stabilising transactions or transactions with a view to supporting the market price of the Notes. The Issuer has made certain representations and warranties to the Dealer and undertakes, among other things, to update the Registration Document and to provide notice to the Dealer of any Event of Default or Potential Event of Default and the Issuer has agreed to indemnify the Dealer for any loss arising out of any failure by the Issuer to issue the Notes in accordance with the Applicable Supplement, any breach by the Issuer of any representation, warranty or undertaking contained in the Dealer Agreement and any omission of a material fact. The Dealer undertakes that it shall comply with any appropriate selling restrictions and that it will not make or provide any representation or information in respect of the Issuer of the Notes other as contained in this Securities Note or in the Registration Document.

APPLICABLE SUPPLEMENT
ELVA FUNDING PLC
(a public limited company under the laws of Ireland with a registered number of 376213)

issue of

Series 2017-1 USD 30,000,000 Secured Floating Rate Notes due 2020

under the

€20,000,000,000
Asset-Backed Medium Term Note Programme

The Notes shall have the terms and conditions set out in the Second Schedule of the Principal Trust Deed dated 6 October 2003 as amended and restated on 7 February 2017 (the "**Conditions**") as completed, modified and supplemented by this Applicable Supplement (including the Annexes hereto).

This Applicable Supplement constitutes the "Applicable Supplement" as referred to in the Conditions.

Special Conditions

The Special Conditions set out in Annex 1 and 2 to this Applicable Supplement shall complete, modify and supplement the Conditions of the Notes. In the event of any inconsistency between the Conditions and the Special Conditions, the Special Conditions shall prevail and the Conditions shall be deemed to be amended accordingly.

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| 1. | Issuer: | Elva Funding plc. |
| 2. | Series Number: | 2017-1. |
| 3. | Specified Currency or Currencies: | United States dollars (" USD "). |
| 4. | Aggregate Nominal/Principal Amount: | USD 30,000,000. |
| 5. | (i) Trade Date: | 6 February 2017. |
| | (ii) Issue Date: | 21 February 2017. |
| | (iii) Interest Commencement Date: | 21 February 2017. |
| 6. | Maturity Date: | 24 February 2020 (the " Scheduled Maturity Date "), unless redeemed earlier in accordance with the terms of the Notes and subject to adjustment in accordance with the Following Business Day Convention. |
| 7. | Interest Basis: | Floating. |
| 8. | Redemption/Payment Basis: | The Redemption Amount. |
| 9. | Change of Interest or Redemption Basis: | Not Applicable. |

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| 10. | Put/Call Options: | None. |
| 11. | Issue Price: | 100 per cent. of the Principal Amount. |
| 12. | Status of the Notes: | See paragraph 2 (<i>Status of Notes</i>) of Annex 1 hereto. |
| 13. | Instructing
(See Conditions 3(d), 7(b)(v), 10 and 11) | Creditor: The Swap Counterparty, provided that the Instructing Creditor shall be the Noteholders (acting unanimously) in the event that (a) the Swap Counterparty is the Defaulting Party or sole Affected Party in respect of the Swap Agreement (each such term as defined in the Swap Agreement) or (b) (i) the Swap Agreement is terminated and (ii) no payments (including, but not limited to, payments of any Termination Payments) are due and payable to the Swap Counterparty following such termination. |
| 14. | Listing: | Application has been made for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on the regulated market of the Irish Stock Exchange. |
| 15. | Method of Distribution: | Non-syndicated. |

RATINGS

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| 16. | Rating(s): | It is expected that the Notes will be rated "A+" by S&P. |
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PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 17. | Fixed Rate Note Provisions: | Not Applicable. |
| 18. | Floating Rate Note Provisions: | Applicable. |
| | (i) Interest Period End Dates: | Each Interest Payment Date. |
| | (ii) Interest Payment Dates: | 24 February, 24 May, 24 August, 24 November in each year, commencing on 24 May 2017 to and including the Scheduled Maturity Date (subject to adjustment in accordance with Following Business Day Convention). |
| | (iii) Business Day Convention: | Following Business Day Convention. |
| | (iv) Additional Cities for the Definition of Business Day in Condition 6(k): | Not Applicable. |
| | (v) Determination Agent: | Morgan Stanley & Co. International plc. |

(vi)	Floating Rate Option:	USD LIBOR-BBA.
(vii)	Manner in which the Interest Rate is to be determined:	ISDA Determination.
	• Reset Date:	Each Interest Determination Date.
	• Interest Determination Date(s):	The first day of each Interest Period.
	• Designated Maturity:	Three months, provided that Linear Interpolation shall apply in respect of any Interest Period that is greater than or less than three months.
(viii)	If Reference Banks:	Not Applicable.
(ix)	If other, specify basis for Not applicable, determination of the Rate of Interest, any relevant Margin and any fall-back provisions	Not Applicable.
(x)	Margin	0.86 per cent.
(xi)	Rate Multiplier	Not Applicable.
(xii)	Minimum Rate of Interest	Not Applicable.
(xiii)	Maximum Rate of Interest	Not Applicable.
(xiv)	Day Count Fraction:	Actual/360 (as defined in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.).
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	For any Interest Period in respect of which the Interest Amount would have been negative, no Interest Amount will be payable and the absolute value of such negative Interest Amount will be used to reduce the Redemption Amount.
19.	Zero Coupon Note Provisions	Not Applicable.
20.	Index/Formula-Linked Note Provisions	Not Applicable.
21.	Dual Currency Note Provisions	Not Applicable.
22.	Variable Coupon Amount Provisions	Not Applicable.

PROVISIONS RELATING TO REDEMPTION, PURCHASE AND EXCHANGE

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| 23. | Mandatory Redemption Events: | See Underlying Disposal Events. |
| 24. | Underlying Disposal Event: | |
| | (a) (1) Redemption upon payment default under Underlying Assets (Condition 7(b)(i)(A)): | Not Applicable. |
| | (2) Applicable grace periods (Condition 7(b)(i)(A)): | Not Applicable. |
| | (b) Termination of Related Agreements (Condition 7(b)(i)(B)) as amended by paragraph 4 (Mandatory Redemption Events) of Annex 1 hereto: | Applicable upon termination in whole (but not in part) of any of the Related Agreements. See paragraph 4 (<i>Mandatory Redemption Events</i>) of Annex 1 hereto. |
| | (c) Counterparty Replacement Failure | Not Applicable. |
| | (d) Mandatory tax redemption provisions (Condition 7(b)(i)(C)): | Applicable (other than Condition 7(b)(i)(C)(y), which shall not apply in respect of the Notes), provided that (i) the words "as a result of change in law, regulations, governmental interpretive guidance" shall be inserted at the beginning of Condition 7(b)(i)(C)(x); and (ii) the words "and as a result of change in law, regulations, governmental interpretive guidance" shall be inserted between the words "in each case following issuance of the Notes" and ",," in Condition 7(b)(i)(C)(z). |
| | (e) Additional Underlying Disposal Events: | Not Applicable. |
| | (f) Early Redemption of Underlying Assets: | Not Applicable. |
| | (g) Notice period if other than as set out in Condition 7(b)(ii): | Not Applicable. |
| | (h) Credit Event: | Not Applicable. |
| 25. | Purchase at Issuer's Option (Condition 7(c)): | Not Applicable. |
| 26. | Early Redemption of Zero Coupon (Condition 7(d)): | Not Applicable. |
| 27. | Early Redemption of Variable Redemption Amount Notes (Condition 7(e)): | Not Applicable. |
| 28. | Redemption at the Option of the Issuer: | Not Applicable. |

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| 29. | Redemption at the Option/Request of the Noteholders: | Not Applicable. |
| 30. | Morgan Stanley Noteholder Option: | Condition 7(h) (<i>Morgan Stanley Noteholder Option</i>) shall not apply in respect of the Notes. |
| 31. | Termination of Swap Agreement at the Option of the Counterparty: | Not Applicable. |
| 32. | Exchange of Notes for Underlying Assets: | Not Applicable. |
| 33. | Exchange of Series: | Not Applicable. |
| 34. | Final Redemption Amount: | The Redemption Amount. |
| 35. | Early Redemption Amount pursuant to Mandatory Redemption Event or Event of Default: | <p>In respect of each Note as at the Early Redemption Date, an amount equal to the lesser of:</p> <p>(i) Redemption Amount (plus any accrued interest); and</p> <p>(ii) pursuant to paragraph 2.2 (<i>Pre and Post Enforcement Waterfalls</i>) of Annex 1 hereto, the amount available for redemption of such Note in accordance with the Order of Priority.</p> |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 36. | Form of Notes: | Registered Global Note. The Registered Global Note will be exchangeable for Registered Note Certificates in the limited circumstances specified in the Registered Global Note. |
| 37. | Authorised Denominations: | USD 1,000,000. |
| 38. | Additional Business Days or other special provisions relating to Payment Dates: | Not Applicable. |
| 39. | Principal Paying Agent: | The Bank of New York Mellon |
| 40. | Registrar: | The Bank of New York Mellon (Luxembourg) S.A. |
| 41. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Not Applicable. |
| 42. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and | Not Applicable. |

interest due on late payment:

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| 43. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable. |
| 44. | Variation to provisions of Condition 10 (Events of Default): | Paragraph (vii) of Condition 10(a) (<i>Events of Default</i>) shall not apply to the Notes. |
| 45. | Other terms or special conditions: | As set out in Annex 1 and Annex 2 hereto. |

DISTRIBUTION

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| 46. | If syndicated, names of Managers: | Not Applicable. |
| 47. | Stabilising Manager (if any): | Not Applicable. |
| 48. | If non-syndicated, name of Dealer: | Morgan Stanley & Co. International plc. |
| 49. | Additional selling restrictions: | Not Applicable. |
| 50. | Commission payable: | Not Applicable. |
| 51. | Selling Concession: | Not Applicable. |
| 52. | Expenses: | Not Applicable. |

OPERATIONAL INFORMATION

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| 53. | ISIN Code: | XS1565805204 |
| 54. | Common Code: | 156580520 |
| 55. | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable. |
| 56. | Delivery: | Delivery free of payment. |

RELATED AGREEMENTS AND SECURITY

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| 57. | Security: | The Issuer's obligations under the Notes will be secured pursuant to the Supplemental Trust Deed. |
| 58. | Swap Counterparty: | Morgan Stanley & Co. International plc. |
| 59. | Contingent Forward Counterparty (if applicable): | Not Applicable. |
| 60. | Swap Calculation Agent: | Morgan Stanley & Co. International, plc |
| 61. | Swap Agreement: | The total return swap confirmation dated 21 February 2017 between the Issuer and the Swap Counterparty |

that supplements, forms a part of and is subject to the provisions of the ISDA Master Agreement (Multicurrency-Cross Border) dated as of 7 February 2017 (the "**ISDA Master Agreement**") including the credit support annex dated 21 February 2017 (the "**Credit Support Annex**" ") (together, the "**Swap Agreement**").

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| 62. | Swap Guarantee: | Not Applicable |
| 63. | Contingent Forward Agreement (if applicable): | Not Applicable. |
| 64. | Contingent Forward Guarantee (if applicable): | Not Applicable. |
| 65. | Scheduled Termination Date of Swap Agreement: | The third Business Day prior to the Maturity Date, subject to earlier or later termination in accordance with its terms. |
| 66. | Application of proceeds upon a Mandatory Redemption Event: | Other Priority. See paragraph 2.2 (<i>Pre and Post Enforcement Waterfalls</i>) in Annex 1 hereto. |
| 67. | Substitution of Underlying Assets: | Applicable, in accordance with the provisions of paragraph 3 (Underlying Assets) of Annex 1 hereto. |
| 68. | Gross-up: | Not Applicable. |

ADDITIONAL INFORMATION

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| 69. | Custodian: | The Bank of New York Mellon |
| 70. | Calculation Agent: | The Bank of New York Mellon |
| 71. | Trustee: | BNY Mellon Corporate Trustee Services Limited |
| 72. | Swap Calculation Agent: | Morgan Stanley & Co. International plc |
| 73. | Determination Agent: | Morgan Stanley & Co. International plc |
| 74. | Description of the Initial Underlying Assets and Initial Underlying Assets Issuer: | The issue proceeds of the Notes (which will be used by the Issuer to purchase Underlying Assets (in response to portfolio adjustments under the Swap Agreement) and/or to fund payment obligations under the Swap Agreement from time to time). |
| 75. | Redenomination: | Not Applicable. |

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Applicable Supplement.

Signed on behalf of the Issuer:

By:

Date:

ANNEX 1 TO THE APPLICABLE SUPPLEMENT SPECIAL CONDITIONS

In respect of each Series of Notes, the Conditions shall be supplemented and modified by the following Special Conditions:

1. DEFINITIONS AND INTERPRETATION

Capitalised terms used but not otherwise defined will have the meanings given to them in Annex 2 to the Applicable Supplement or the Swap Agreement.

2. STATUS OF NOTES

2.1 Status

The Notes are secured limited recourse obligations of the Issuer, secured in the manner described in Condition 4 (*Related Agreements and Security*) as amended by the Supplemental Trust Deed and recourse in respect of which is limited in the manner described in Condition 11 (*Limited Recourse Enforcement*).

2.2 Pre and Post Enforcement Waterfalls

Notwithstanding any other provision of the Conditions or this Applicable Supplement on each Interest Payment Date, the Scheduled Maturity Date or any earlier date of redemption of the Notes in whole pursuant to Condition 7(b) (Mandatory Redemption) or acceleration thereof pursuant to Condition 10 (Events of Default), all amounts received or receivable by the Issuer or the Trustee in respect of the Underlying Assets and the Swap Agreement and, in the event of redemption in full of the Notes, any proceeds of liquidation or enforcement of the security over the Charged Assets relating to the Notes, shall be applied in accordance with the order set out below (the "Order of Priority"). The Order of Priority is as follows:

- (a) *first, pari passu and pro rata*, in meeting the claims, fees and properly incurred expenses of the Trustee and the Agents in respect of the Notes (including, if applicable, any claims, fees and properly incurred expenses of the Determination Agent, acting on behalf of the Issuer, in connection with any liquidation of the Underlying Assets relating to the Notes);
- (b) *secondly*, costs incurred by the Determination Agent in connection with the liquidation of the Underlying Assets;
- (c) *thirdly, pari passu and pro rata*, in meeting the claims (if any) of (a) the Swap Counterparty in respect of any amounts due under the Swap Agreement and (b) if any, the Liquidity Provider in respect of any amounts due under the Liquidity Facility Agreement;
- (d) *fourthly, pari passu and pro rata*, in meeting the claims of the holders of the Notes; and
- (e) *fifthly*, in payment of the balance (if any) to the Issuer.

3. UNDERLYING ASSETS

3.1 Condition 4(e) (Substitution of the Underlying Asset) shall not apply in respect of the Notes, Instead:

- (i) the Issuer shall, upon direction from all the Noteholders (and subject to the Issuer having obtained the consent of the Trustee (acting at the direction of the Instructing Creditor)),

substitute alternative assets for such of the Underlying Assets as instructed by the Noteholders; and

- (ii) the Issuer, pursuant to the relevant Supplemental Trust Deed, authorises the Custodian (and the Custodian shall be permitted) to execute (independent of any agreement or instruction from the Noteholders) any purchase and/or sale of Underlying Assets upon receipt of a firm offer or a firm bid, as applicable, provided or identified by the Swap Calculation Agent, in order to maintain the Issuer's hedging position with respect to its obligations under the Trade Documents.

- 3.2 The Issuer, pursuant to the relevant Supplemental Trust Deed, authorises the Custodian to liquidate any Underlying Assets held by the Issuer and invest the proceeds thereof into other Underlying Assets at the direction of the Determination Agent upon the occurrence of an Event of Default in respect of the Swap Counterparty thereunder, to fund payment by the Issuer of the Redemption Amount.
- 3.3 Condition 4(c) (*Realisation of Underlying Assets*) shall be amended by replacing references to the Custodian therein with references to the Determination Agent to the extent they refer to the Custodian arranging for and administering the sale of the Underlying Assets.
- 3.4 Subject to Special Condition 5 below, in arranging for the sale of the Underlying Assets under Conditions 4(c) (*Realisation of Underlying Assets*) and 7(b) (*Mandatory Redemption Following an Underlying Disposal Event*), on the date that is 5 Business Days following the Underlying Disposal Event Notice Date or, as the case may be, the date on which the Trustee delivers an Enforcement Notice pursuant to Condition 10(a), the Determination Agent shall attempt to obtain from three dealers in the type of the Underlying Assets (each such dealer, a "**Reference Dealer**"), a firm bid quotation (each a "**Quotation**") in respect of the purchase of the Underlying Assets from the Issuer by, to the extent reasonably practicable, 2.30p.m. (London time). Upon receipt by the Determination Agent of all Quotations (to the extent provided), the Determination Agent shall arrange for the sale by the Custodian of the Underlying Assets to the Reference Dealer which gave the highest Quotation.
- 3.5 For the avoidance of doubt, in arranging for the sale of any of the Underlying Assets as referred to above, the Determination Agent, acting on behalf of the Issuer, may arrange for the sale of all or part thereof to itself or any of its Affiliates.

4. NOTEHOLDER UNWIND OPTION

- 4.1 During the Noteholder Unwind Option Period and provided that no Event of Default or Early Termination Date (as defined in the Swap Agreement) has occurred or been designated, a Noteholder may deliver an irrevocable notice (an "**Exercise Notice**") to the Issuer, the Trustee and the Swap Counterparty directing the Issuer to redeem early all or a portion of the Notes held by such Noteholder (a Noteholder exercising such option, an "**Exercising Noteholder**" and the amount of the Notes subject to such early redemption, "**Exercise Amount**"). Any Exercise Amount shall be an integral multiple of USD10,000,000.
- 4.2 The Exercise Notice shall contain delivery instructions for delivery of the Underlying Assets to the Exercising Noteholder.
- 4.3 Subject to satisfaction of the Noteholder Unwind Conditions (as defined in paragraph 4.7 below), the Issuer shall effect such early redemption by delivering to the Exercising Noteholder a pro rata share of each Underlying Asset proportional to the ratio between the Exercise Amount and Principal Amount (immediately prior to the exercise), and novate to the Exercising Noteholder a portion of the

TRS Facility (and if applicable, of the CCS Transaction) with a notional amount equal to the Exercise Amount, in each case on the Noteholder Unwind Date.

- 4.4 The Redemption Amount of each Note included in the Exercise Amount paid pursuant to this Special Condition 4 (Noteholder Unwind Option) (comprising a *pro rata* share of the Underlying Assets and the Swap Agreement) shall be made together with interest accrued on the Notes to (but excluding) the relevant date of redemption.
- 4.5 Upon the occurrence of the Underlying Disposal Event set out in Condition 7(b)(i)(C) (as amended in paragraph 24 of this Applicable Supplement), each Noteholder shall have the right to cause its portion of the Notes to redeem in accordance with this Special Condition 4, provided if redemption to this Special Condition 4 has not been effected by the fifth day prior to the date on which the relevant tax and/or withholding would be applied to the Notes, the Issuer shall forthwith redeem the outstanding Notes in accordance with Condition 7.
- 4.6 Other than payment of the Redemption Amount in respect of each Note being redeemed (together with any accrued interest thereon), settlement of the Noteholder Unwind Option shall involve no cost being incurred by the Issuer.
- 4.7 For the purposes of this paragraph 4:

"Noteholder Optional Unwind Period" means the period from (and including) the Issue Date to (and including) the day falling 21 Business Days prior to the Maturity Date.

"Noteholder Unwind Date" means date specified in the Exercise Notice provided that it falls not less than 21 Business Days after the date on which the Exercise Notice is delivered.

"Noteholder Unwind Conditions" means:

- (a) the Swap Counterparty having confirmed that the Exercising Noteholder (i) satisfies the Swap Counterparty's counterparty credit requirements and policies, (ii) would not receive income on the Underlying Asset net of withholding tax as a result of the jurisdiction or status of the Exercising Noteholder and (iii) is eligible to hold the Underlying Assets under the terms thereof;
- (b) the Swap Counterparty having calculated the collateral required to be posted by itself or by the Exercising Noteholder (in its capacity as a counterparty to the Swap Counterparty, the **"Swap Transferee"**) in accordance with a bilateral ISDA CSA between the Swap Counterparty and the Swap Transferee (the **"Bilateral CSA"**) and on the following basis:
- (i) any credit support that has previously been transferred by the Issuer or the Swap Counterparty shall be returned to the transferor; provided that in the case of any Independent Amount transferred by the Swap Counterparty and invested in Underlying Assets, the Swap Transferee shall pay in cash a pro rata portion of such Independent Amount in exchange for receipt of a pro rata portion of the Underlying Assets purchased by such Independent Amount;
 - (ii) any credit support amount that is required to be posted under the Bilateral CSA shall be transferred to the Custodian by the Swap Counterparty or the Swap Transferee, as applicable; and

the Swap Counterparty having calculated any credit valuation adjustment risk, capital charges, funding valuation adjustment charges, and other credit-related charges payable by

the Swap Transferee arising as a result of entering into the relevant portion of the TRS Facility (and if applicable, each Cross-Currency Swap) with the Swap Transferee under the Bilateral CSA ("**Novation Charge**" and such Novation Charge having been paid by the Swap Transferee to the Swap Counterparty.

5. LIQUIDATION OF THE UNDERLYING ASSETS FOLLOWING DEFAULT OF THE SWAP COUNTERPARTY

- 5.1 Upon the occurrence of an Event of Default or a Termination Event under the Swap Agreement in respect of which the Swap Counterparty is the Defaulting Party or sole Affected Party, respectively, the Noteholders shall be the "Instructing Creditor" for the purposes of directing action by the Issuer and/or the Agents and/or the Trustee.
- 5.2 If the Noteholders direct the designation of an Early Termination Date in respect of the Swap Agreement, they shall instruct the Determination Agent to arrange sale of the Underlying Asset in accordance with Special Condition 3.4 above, provided that the Settlement Amount (as defined in the Swap Agreement) in respect of each TRS Transaction (and if applicable, the relevant Cross-Currency Swap related to the same RO) shall be calculated as of the same day on which the Underlying Asset which is Equivalent to such RO is sold.
- 5.3 The Custodian shall hold all realisation proceeds from the sale of the Underlying Assets without distributing of any portion thereof unless and until all the Underlying Assets in respect of the Notes have been liquidated and the full early termination amount in respect of the Swap Agreement has been calculated pursuant to Section 6(e) thereof. The aggregate realisation proceeds of the Underlying Assets shall be distributed in accordance with the order of priority specified in Special Condition 2.2 (Pre and Post Enforcement Waterfalls) above within 5 Business Days following the calculation of the early termination amount under the Swap Agreement.

6. DETERMINATIONS

The determination by the Determination Agent and/or the Swap Counterparty and/or the Swap Calculation Agent, as the case may be, 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 Determination Agent and/or the Swap Counterparty and/or the Swap Calculation Agent, as the case may be, under or pursuant to this Applicable Supplement and/or the Swap Agreement, as the case may be, shall (in the absence of manifest error) be final and binding on the Issuer, the Trustee and the Noteholders and each such party shall be entitled to rely on such determination without incurring any liability for so doing. In performing its duties in respect of the Notes, the Determination Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Determination Agent and/or the Swap Counterparty and/or the Swap Calculation Agent, as the case may be, in the performance or exercise of any of its obligations or its discretion under or pursuant to the Conditions of the Notes and/or the Swap Agreement, as the case may be, including, without limitation, the giving of any notice by it to any party, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Determination Agent, the Swap Counterparty, the Swap Calculation Agent, the Trustee or the Issuer shall bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

7. ISSUE OF FURTHER TRANCHES

In the event of an issue by the Issuer of a Further Tranche of Notes pursuant to Condition 1 (*Form, Denomination and Title*), the Determination Agent shall, subject to Rating Agency Confirmation but without the consent of the Secured Creditors or any other parties, adjust the Conditions, the Swap Agreement and any other Trade Documents as it deems necessary in order to reflect such further

issue by the Issuer and to preserve the economic equivalence of the Notes, the Swap Agreement and other relevant Trade Documents prior to such further issue.

8. APPLICATION TO LISTING

The Trustee and the Issuer may agree, without the consent of the Noteholders, to any modification of the Notes and the Securities Note that is made after the Issue Date in order to comply with the requirements of any stock exchange or competent authority in connection with an application to list the Notes or admit the Notes to trading.

ANNEX 2 TO THE APPLICABLE SUPPLEMENT DEFINITIONS

"Affiliate" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For these purposes "control" means ownership of a majority of the voting power of the entity or person.

"Business Day" means London and New York.

"CCS Transaction" means any cross-currency swap transaction entered into between the Issuer and the Swap Counterparty (and forming part of the Swap Agreement) in relation to any asset denominated in a currency other than USD.

"Custody Account" means the custody account established on the books of the Custodian in connection with the Notes in accordance with the provisions of the Custody Agreement.

"Early Redemption Date" means, in relation to the Notes, any date on which the Notes are to be redeemed in full prior to the Scheduled Maturity Date in accordance with Condition 7(b) (*Mandatory Redemption*), Special Condition 4 (*Noteholder Unwind Option*) of Annex 1 or Condition 10 (*Events of Default*).

"Issue Date" means 21 February 2017.

"Liquidity Facility Agreement" means any liquidity facility agreement (which shall constitute a Related Agreement for the purposes of the Notes) entered into by the Issuer in order to ensure that the Issuer can meet its margin obligations under any credit support annex entered into in connection with a CCS Transaction.

"Liquidity Provider" means the counterparty to the Issuer under any Liquidity Facility Agreement, being either the Swap Counterparty (or a third party designated by the Swap Counterparty, provided that the Swap Counterparty agrees to perform in place of that third party should such party fail to perform).

"Order of Priority" means the order of priority of payments specified in paragraph 2.2 (*Pre and Post Enforcement Waterfalls*) of Annex 1.

"Outstanding Principal Amount" and **"Principal Amount"** each mean, in relation to each Note, the amount of the original face value thereof less any repayments of principal in respect thereof.

"Rating Agency Confirmation" means with respect to any specified action or determination, receipt of written confirmation from S&P (unless otherwise specified herein), for so long as the Notes are outstanding and rated by S&P, that such specified action or determination will not result in the reduction or withdrawal of its then-current rating on the Notes.

"Redemption Amount" means an amount equal to the Outstanding Principal Amount as at the Scheduled Maturity Date or the Early Redemption Date (as applicable).

"Redemption Date" means each date specified for the redemption of the Notes, and if such day is not a Business Day, the next following Business Day.

"Related Agreements" means, in relation to the Notes, the Swap Agreement, the Liquidity Facility Agreement (if any) or other arrangements or any letters of credit, guarantees or other credit support or credit enhancement and "Related Agreement" shall mean any one such document.

"**S&P**" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

"**Secured Creditors**" means, in respect of the Notes, the persons referred to in the order of priority of payments specified in paragraph 2.2 (*Pre and Post Enforcement Waterfalls*) of Annex 1.

"**Trade Documents** " means the Applicable Supplement, the Supplemental Trust Deed, the Related Agreements, any Sub-Custodian Agreement or custody agreement entered into in respect of the Notes, the Notes of such Series, any supplementary security document, if any, entered into in respect of such Series and the final form of any other documents entered into by a party or produced in connection with the Notes.

Any reference to "**Notes** " in this Applicable Supplement, any Transaction Document or any Trade Document shall be deemed to refer to the Notes constituted and secured by the Supplemental Trust Deed together with any Further Tranche of Notes issued pursuant to Condition 1(c)(*Fungible Tranches of Notes comprising a Series*), unless the context otherwise requires.

DESCRIPTION OF THE RELATED AGREEMENTS

The following is a summary of the principal terms of the Related Agreements which should not be relied upon as an exhaustive description of, and is qualified in its entirety by, the detailed provisions of the agreements (copies of which are available from the specified office of the Principal Paying Agent. The form of the Swap Confirmation is set out in the section "Form of Swap Confirmation").

1. **Swap Agreement**

The Issuer and the Swap Counterparty will enter into a total return swap confirmation dated 21 February 2017 incorporating the provisions of the ISDA Master Agreement (Multicurrency-Cross Border) ISDA Master Agreement (Multicurrency-Cross Border) dated as of 7 February 2017 including the credit support annex dated 21 February 2017 (together, the "**Swap Agreement**"). Subject to the satisfaction of the conditions precedent under the ISDA Master Agreement, the Issuer and Swap Counterparty will be obliged to make the payments to each other as set out in the "Form of Swap Confirmation" below.

2. **Tax Events**

In the event of certain withholding taxes being payable on an amount due by one party to the other party under the Swap Agreement, such party will be obliged (prior to termination of the transaction under the Swap Agreement) to pay such withholding taxes to the relevant authorities. The Issuer shall not be obliged to pay additional amounts under the Swap Agreement that is the subject of a deduction or withholding for or on account of any Tax (as defined in the Swap Agreement). The Swap Counterparty shall be obliged to pay additional amounts under the Swap Agreement that is the subject of a deduction or withholding for or on account of any Tax (as defined in the Swap Agreement). Where the Swap Counterparty (being the Affected Party) would be required to pay such additional amounts under the Swap Agreement, or would receive amounts from the Issuer net of such Taxes, the Swap Counterparty shall, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv) of the Swap Agreement, seek to effect such transfer of all of its rights and obligations under the Swap Agreement as shall result in no such withholding being required, subject to such transfer not having an adverse effect on the rating of the Notes.

Where the Swap Counterparty terminates the Swap Agreement in the circumstances where withholding taxes are payable under the Swap Agreement, the Swap Counterparty is under no obligation to pay to the Issuer the amount required by the Issuer to make payment in full to the Noteholders of the Outstanding Principal Amount of the Notes and accrued interest relating thereto.

3. **Limited Recourse**

The obligations of the Issuer under the Swap Agreement relating to Notes will be limited to the proceeds of enforcement of the Charged Assets as applied in accordance with the Order of Priority specified in paragraph 2.2 (*Pre and Post Enforcement Waterfalls*) of **Annex 1** to the Applicable Supplement.

4. **Termination Provisions**

The scheduled termination date under the Swap Agreement is the third Business Day prior to the Maturity Date; provided that the Swap Agreement may terminate early in certain circumstances. The Issuer may terminate the Swap Agreement if there is an Event of Default or a Termination Event (each as defined in the Swap Agreement and described below) with respect to the Swap Counterparty and the Swap Counterparty may terminate the Swap Agreement if there is an Event of Default or a Termination Event with respect to the Issuer. The Swap Agreement contains

termination events commonly found in standard ISDA documentation save for (i) the disapplication of the Events of Default relating to "Breach of Agreement", "Misrepresentation", "Default under Specified Transactions", "Cross Default", "Credit Support Default" (insofar as it applies to the Issuer) and certain provisions relating to "Bankruptcy" (also insofar as it applies to the Issuer) and (ii) the disapplication as regards both the Issuer and the Swap Counterparty of the Termination Events relating to "Tax Event Upon Merger", and "Credit Event upon Merger". In addition, the Swap Agreement includes Additional Termination Events in the event that:

- (a) Acceleration of the Notes: an Event of Default (as defined in the Terms and Conditions of the Notes) in respect of the Notes and the Trustee gives notice to the Issuer in accordance with Condition 10 (*Events of Default*) of the Notes that the Notes are due and repayable; and
- (b) Redemption in whole of Notes: the Notes are redeemed in whole (otherwise than as a result of an Event of Default thereunder), or a Mandatory Redemption Event occurs, prior to their stated maturity.

For the purposes of the Additional Termination Events set out in paragraphs (a) and (b) above, the Issuer will be the sole Affected Party and all Transactions shall be Affected Transactions.

Other than as set out above, upon the occurrence of any Event of Default or Termination Event, a Swap Agreement may be terminated in accordance with the detailed provisions thereof and, other than as provided above, a net amount (the "**Termination Payment**") may become payable by the Issuer to the Swap Counterparty or vice versa. If the Issuer is required to make a termination payment to the Swap Counterparty, such payment will rank in accordance with the Order of Priority specified in paragraph 2.2 (*Pre and Post Enforcement Waterfalls*) of **Annex 1** to the Applicable Supplement.

A Termination Payment will generally be based on the sum of (a) payments under the Swap Agreement that became due prior to the date on which the Swap Agreement (or a portion thereof) is terminated, but remain unpaid and (b) an amount determined by obtaining quotations from at least three leading swap dealers of the amount that each such dealer would pay to, or be required to be paid by, the party obtaining such quotation in consideration for having that dealer enter into a swap transaction with such party on the same terms as the Swap Agreement (or if such market quotations are unavailable or do not produce a commercially reasonable result, the losses suffered by either party as a result of termination of the Swap Agreement). The party making such determination will be the Non-defaulting Party (as defined in the Swap Agreement) in the case of the occurrence of an Event of Default, or upon the occurrence of a Termination Event where there is one Affected Party, the party which is not the Affected Party. Where there are two Affected Parties a mid-way point between the amounts calculated by each such party will be taken.

5. Collection of Swap Payments

Notwithstanding Clause 6 of the Agency Agreement, on each date on which payments are due to the Issuer under the Swap Agreement (including each Floating Rate Payer Payment Date under the TRS Facility), the Swap Counterparty is authorised and undertakes (pursuant to clause 10.1 of the Supplemental Trust Deed) to make payment of all such sums payable to the Issuer under the Swap Agreement directly to the Principal Paying Agent on behalf of the Issuer (for onward payment to the Noteholders in accordance with the terms of the Notes).

6. Governing Law

The Swap Agreement, and any non-contractual obligations arising out of or in connection with the Swap Agreement, are governed by English law.

7. **Liquidity Facility Agreement**

The Issuer shall be entitled to entered into any Liquidity Facility Document with the Liquidity Facility Provider in order to ensure that the Issuer can meet its credit support obligations under the Swap Agreement. At any time a Delivery Amount is required to be transferred by the Issuer while the Issuer no longer holds Eligible Credit Support, the Liquidity Provider shall transfer to the Swap Counterparty, on behalf of the Issuer, the Delivery Amount required to be transferred by the Issuer (each such transfer under the Liquidity Facility, a "**Draw**"). If the Delivery Amount is later reduced or no longer required to be transferred by the Liquidity Provider, the Swap Counterparty will return any excess amount previously provided by the Liquidity Provider. The Liquidity Facility Agreement will be entered into by the Liquidity Provider as part of a bona fide transaction with the Issuer. The Issuer shall pay a fee to the Liquidity Provider. For so long as a Draw is outstanding and if requested by Swap Counterparty as the Liquidity Provider, the Issuer will transfer to the Liquidity Provider Underlying Assets with a market value equivalent to the Draw. Any Liquidity Facility Agreement shall be governed by English law.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be applied by the Issuer to purchase the Underlying Assets (the total exposure to which will be passed to the Swap Counterparty pursuant to the Swap Agreement).

FORM OF SWAP CONFIRMATION
SWAP AGREEMENT

DATE: 21 February 2017

TO: Elva Funding plc (**Counterparty**)

FROM: Morgan Stanley & Co. International plc ("**MS**")

SUBJECT: Total Return Swap Receiver Facility

MS Ref Numbers: []

Unique Swap Identifier (USI): []

The purpose of this communication (this **Confirmation**) is to set forth the terms and conditions of the above-referenced Total Return Swap Facility entered into on the Facility Trade Date specified below between MS and Counterparty (the **Facility**). This communication constitutes a **Confirmation** as referred to in the Master Agreement specified below. This communication supersedes all prior communications regarding the Facility.

This Confirmation is subject to, and incorporates, the 2006 ISDA Definitions (the **Definitions**), as published by the International Swaps and Derivatives Association, Inc. (**ISDA**). In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern. Terms used herein but otherwise not defined here in shall have the same meanings as ascribed thereto in the Registration Document and Securities Note relating to Series 2017-1 USD 30,000,000 Secured Floating Rate Notes due 2020 issued by Elva Funding plc.

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement and Schedule thereto dated as of 7 June 2017 (as supplemented by a Credit Support Annex dated as of the Issue Date (the **CSA**)), each as amended or replaced from time to time (the **Agreement**) between MS and Counterparty.

All provisions contained in, or incorporated by reference into the Agreement will govern this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and the Definitions the Master Agreement or another Confirmation, as the case may be, this Confirmation will prevail for the purpose of the Facility and each Transaction to which this Confirmation relates. In respect of each Reference Obligation that is not denominated in USD, the Counterparty and MS will enter into a cross-currency swap transaction (**CCS Swap Transaction**), each in the form of Appendix 5.

This Confirmation evidences the TRS Facility and a separate total return swap transaction with respect to each Reference Obligation specified in Appendix 1 from time to time as if the details specified in Appendix 1 with respect to that Reference Obligation were set out in the Confirmation in full (each such total return swap transaction, a **TRS Transaction** and each TRS Transaction, CCS Transaction (if applicable) and the Facility, a **Transaction**). Each such Transaction will have a unique Transaction identifier.

The terms of the Facility and each particular Transaction to which this Confirmation relates are as follows:

TERMS RELATING TO THE FACILITY:

Total Return Payer	Counterparty
Floating Rate Payer	MS
Facility Trade Date	Trade Date with respect of the Notes
Facility Effective Date	Issue Date

Reference Entity	In respect of each TRS Transaction, the Reference Entity (which will be each of the obligor(s) and, if any, guarantors or insurers) as referred to in <u>Appendix 1</u> and any Successor thereto.
Successor	The entity (or entities) that directly or indirectly succeeds to all or substantially all of the obligations of the Reference Entity under the Reference Obligation, whether by way of merger, consolidation, amalgamation, transfer, by operation of law, pursuant to any agreement or otherwise, as determined by the Calculation Agent in its sole and absolute discretion.
Facility Termination Date	3 Business Days prior to the Maturity Date
Maximum Facility Size	Principal Amount. At no time may the Aggregate USD Financed Notional exceed the Maximum Facility Size.
	<p>Aggregate USD Financed Notional shall mean on any day, the aggregate of the USD Financed Notional for each TRS Transaction at the close of business on that day (for the avoidance of doubt, taking into account any Portfolio Adjustments which have taken effect on or prior to such day).</p> <p>USD Financed Notional shall mean as of any date of determination, (a) Notional Amount divided by (b) Initial FX Rate multiplied by (c) Initial Price multiplied by (d) (1– IA Percentage).</p>
Portfolio	As of any date of determination, the portfolio comprising each RO subject to a TRS Transaction which is in effect at that time (as specified in <u>Appendix 1</u> , as amended from time to time to reflect Portfolio Adjustments and Removal Events).
Portfolio Adjustment	<p>The Floating Rate Payer may, provided that no Event of Default or Potential Event of Default has occurred with respect to Floating Rate Payer, by sending a Portfolio Adjustment Notice to Total Return Payer and Calculation Agent (substantially in the form of the template in <u>Appendix 4</u>), designate a Business Day (a Portfolio Adjustment Date) to adjust the Portfolio (any such adjustment, a Portfolio Adjustment) by:</p> <ul style="list-style-type: none"> (i) designating a new RO for inclusion in the Portfolio; or (ii) designating an RO in whole or in part for removal from the Portfolio; or (iii) substituting a new RO for one or more existing ROs in whole or in part, <p>in each case subject to satisfaction of the Eligibility Criteria in <u>Appendix 2</u> (as determined by the Calculation Agent). The effectiveness of a Portfolio Adjustment in accordance with (i) or (ii) above shall be subject to satisfaction of the "<i>Condition to TRS Transaction Effectiveness</i>" specified below in respect of the relevant new TRS Transaction.</p> <p>The effect of a Portfolio Adjustment shall be: (1) in the case of (i)(A) and (i)(C) above, to cause an Effective Date to occur in respect of a new TRS Transaction in accordance with the terms specified in the related Portfolio Adjustment Notice; and (2) in the case of (i)(B) and (i)(C) above, to cause a Removal Date to occur in relation to the relevant RO being removed or reduced (in whole or in part, as the case may be).</p> <p>In respect of any addition of a RO, the ISIN, Effective Date, Reference Entity, Specified Currency, Initial Notional Amount, Initial IA Percentage, Initial Factor, Initial FX Rate, and Initial Price will be specified in <u>Appendix 1</u>.</p>

In respect of any removal of a RO in part, the ISIN, Termination Date, Reference Entity, Specified Currency, Terminated Notional Amount, and Final Price (in respect of the Termination Notional Amount) will be specified in Appendix 1.

The Calculation Agent shall send an updated Appendix 1 as described below to reflect such addition or removal.

Portfolio Adjustment Notice	A notice, substantially in the form of <u>Appendix 4</u> , provided at least one Business Day prior to the Portfolio Adjustment Date (or as otherwise agreed between the parties), of any Portfolio Adjustment.
Calculation Agent	MS. Unless otherwise specified in this Confirmation, all calculations and determinations in connection with the Transaction shall be made by the Calculation Agent acting in its sole and absolute discretion.
Business Days	London and New York
Business Day Convention	Modified Following

Floating Rate Payer Payments:

Floating Rate Payer Payments: On each Floating Rate Payer Payment Date, the Floating Rate Payer must pay to the Total Return Payer an amount in USD equal to the product of:

- (i) the Floating Rate Calculation Amount;
- (ii) the Floating Rate; and
- (iii) the actual number of days in such Floating Rate Calculation Period *divided by 360*

For any Floating Rate Payer Payment Date for which the Floating Rate Payer Payment would have been negative, neither party will make any payment to each other. In such event, the absolute value of each such negative Floating Rate Payer Payment will constitute a **Negative Rates Amount**.

Floating Calculation Amount Rate Principal Amount as of the beginning of the relevant Floating Rate Calculation Period.

Floating Rate In respect of a Floating Rate Calculation Period:

USD-LIBOR-BBA (determined on the applicable Floating Rate Reset Date for the Designated Maturity), plus 0.86% per cent per annum.

Floating Calculation Period Rate With respect to any Floating Rate Payer Payment Date, the period from (and including) the immediately preceding Floating Rate Payer Payment Date (or, in relation to the initial Floating Rate Calculation Period, the Facility Effective Date) to (but excluding) such Floating Rate Payer Payment Date.

Floating Rate Payer Payment Dates 24 February, 24 May, 24, August and 24 November in each year, from (and including) 24 May 2017 to (and including) on the Termination Date.

Designated Maturity Three months, provided that Linear Interpolation shall apply in respect of any Floating

Rate Calculation Period that is greater than or less than three months.

Floating Rate Reset Dates	The first day of each Floating Rate Calculation Period.
Linear Interpolation	Applicable in respect of any Floating Rate Calculation Period that is less than three months.
Negative Interest Rate Method	Not applicable to the Floating Rate Payer Payments.
Negative Rates Amount Balance	As of any date of determination, an amount equal to the sum of all the Negative Rates Amounts that have occurred up to such date.
Payment of Negative Rates Amount Balance	On the Facility Termination Date, Total Return Payer shall pay to Floating Rate Payer the Negative Rates Amount Balance as of such date.

Additional Amounts:

Additional Amount 1:	From time to time, Total Return Payer shall pay Floating Rate Payer interest amount received on the cash balance held by the Total Return Payer in connection with the Notes. In the case of any negative interest, Floating Rate Payer shall pay the absolute value of such negative interest to Total Return Payer.
Additional Amount 2:	Floating Rate Payer shall pay Total Return Payer any Liquidity Facility Fee that is payable by the Total Return Payer. Any such payment shall be made 1 Business Day prior to the relevant payment date under the Liquidity Facility.

TERMS RELATING TO EACH TRS TRANSACTION:

1. General Terms

Reference Obligation (RO)	<p>In respect of any addition of a RO, the ISIN, Effective Date, Reference Entity, Specified Currency, Initial Notional Amount, Initial IA Percentage, Initial Factor, Initial FX Rate, and Initial Price will be specified in <u>Appendix 1</u>.</p> <p>In respect of any removal of a RO, the ISIN, Termination Date, Reference Entity, Specified Currency, Terminated Notional Amount, and Final Price will be specified in <u>Appendix 1</u>.</p> <p>For purposes of a TRS Transaction, "Reference Obligation" includes any Assets in the proportion that would be received or retained by a Holder, in exchange, substitution or as consideration of or for such Reference Obligation (or any subsequent Assets) or any other event or circumstances with similar effect, howsoever described.</p> <p>"Assets" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realized or capable of being realized in circumstances where the right and/or other asset no longer exists). If a Holder would be offered a choice of Assets or a choice of combination of Assets, MS will determine the relevant Assets and proportion in its sole and absolute discretion.</p>
Initial Price; Condition to TRS Transaction	A firm offer price (obtained 2 Business Days prior to the Effective Date) for settlement on the Effective Date, excluding accrued but unpaid interest, provided (or sourced) by the

Effectiveness	Calculation Agent at which the Total Return Payer or its designee could execute the purchase of a principal amount of a security Equivalent to the RO equal to the Initial Notional Amount, at such price plus accrued but unpaid interest thereon (expressed as a percentage).
Trade Date	With respect to each RO, as specified in <u>Appendix 1</u> .
Effective Date	With respect to each RO, as specified in <u>Appendix 1</u> .
Notional Amount	As of any date of determination, the product of (i) the Initial Notional Amount, as reduced by each Terminated Notional Amount from time to time times (ii) the Factor as of such date.
Terminated Notional Amount	In respect of a Termination Date, the product of (i) the Initial Notional Amount and (ii) the portion (expressed as a percentage) of the Initial Notional Amount of the RO in respect of which the TRS Transaction is being terminated.
Factor	<p>As of any date, (a) the aggregate principal amount of the RO outstanding as of such date, as:</p> <p>reduced by any repurchase, repayment, or tender offers, in respect of such RO on a <i>pro rata</i> basis <u>divided by</u> (b) the aggregate principal amount of the RO originally issued on the date of issuance of such RO.</p> <p>Factor as of the Trade Date (the Initial Factor) in respect of each RO is set out in <u>Appendix 1</u>. For the avoidance of doubt, the Initial Factor shall be subject to any adjustment to the Factor which occurs between the date of the relevant Portfolio Adjustment Notice and the Effective Date of the relevant TRS Transaction.</p>
Termination Date	The earlier of (i) the Facility Termination Date, (ii) the Transaction Termination Date specified in Appendix 2, (iii) the date on which the Notional Amount of the RO is reduced to zero and (iv) a Removal Date.
Removal Date	The Business Day designated by MS for removal of a RO as a result of a Removal Event.
Final Price	<p>The Final Price shall be determined through the following process:</p> <ul style="list-style-type: none"> (i) The Calculation Agent shall seek a firm bid quotation (for settlement on the Termination Date) for an outstanding principal amount of a security or asset Equivalent to the RO equal to the Notional Amount, excluding accrued but unpaid interest, from a third party, and the Final Price will be such firm bid received plus accrued but unpaid interest; (ii) if no such firm bid is received, the Final Price will be the current bid price of the RO including accrued but unpaid interest as determined by MS in its sole and absolute discretion. <p>For the avoidance of doubt, such firm bid will be in light of the Market Factor at the time it is provided.</p> <p>The Total Return Payer shall sell the RO at the Final Price to the relevant purchaser, which could be MS.</p> <p>Market Factor shall mean (a) the aggregate principal amount of the RO outstanding as of such date, as (i) reduced by any repurchase, repayment, tender offers, Reductions in respect of such RO on a <i>pro rata</i> basis or (ii) increased by any Increases in respect of such RO on a <i>pro rata</i> basis,</p>

divided by

(b) the aggregate principal amount of the RO originally issued on the date of issuance of such RO.

Increase as used herein shall mean any increase, as determined by the Calculation Agent in its reasonable discretion, in the aggregate principal amount of the RO without any actual cash payment by or on behalf any party, which could be due to write-ups after prior write-downs (whether actual or implied), trustee revisions, or any other changes in circumstances in the ROs as the Calculation Agent determines would increase the aggregate principal amount of the RO based on market practice.

Reduction as used herein shall mean any reduction, as determined by the Calculation Agent in its reasonable discretion, in the aggregate principal amount of the RO without any actual repayment of principal made by or on behalf of the Reference Entity, which could be due to write-downs (whether actual or implied), trustee revisions, tranche cancellations, or any other changes in circumstances in the ROs as the Calculation Agent determines would reduce the aggregate principal amount of the RO based on market practice.

Equivalent In respect an RO, an asset that is (i) of the same issuer or other obligor, (ii) part of the same issue or borrowing and (iii) of an identical nominal value, type, description and amount of the RO.

2. Initial Payment

Initial Payment If there will be any interest amount expected to be paid on the following RO interest payment date, Floating Rate Payer shall pay any accrued but unpaid interest in respect of a principal amount of the RO that equal to the Initial Notional Amount as of the Effective Date.

3. Total Return Payer Payments

Total Return Payments On each Total Return Payer Payment Date, Total Return Payer must pay to Floating Rate Payer an amount in Specified Currency equal to the Actual Coupon Payment relating to such Total Return Payer Payment Date.

Total Return Payer
Payment Dates The date falling one Business Day following each date on which a Holder of the RO receives an Actual Coupon Payment (and such Actual Coupon Payment will be the Actual Coupon Payment applicable to such Total Return Payer Payment Date). For the avoidance of doubt, a Total Return Payer Payment Date may occur after the Termination Date and/or the maturity or redemption of the RO.

4. Interim Payments

Interim Payment
Amount On each Interim Exchange Date:

(i) Total Return Payer shall pay in Specified Currency the Actual Principal Repayment;

(ii) Floating Rate Payer shall pay in Specified Currency (a) the principal amount of the RO satisfied by the Actual Principal Repayment multiplied by (b) Initial Price.

Interim Exchange Dates The date falling one Business Day following each date on which a Holder of the RO would receive an Actual Principal Repayment.

5. Final Payment

Final Payment Amount On the Termination Date:

(i) Total Return Payer shall pay in Specified Currency (a) Terminated Notional Amount multiplied by (b) Market Factor multiplied by (c) Final Price;

(ii) Floating Rate Payer shall pay in Specified Currency (a) Terminated Notional Amount multiplied by (b) Factor multiplied by (c) Initial Price.

Final Payment Date The Termination Date (other than as a result of the Factor being reduced to zero by Actual Principal Repayments).

6. Provisions in relation to the Independent Amount applicable to MS

Independent Amount In respect of each TRS Transaction and as of any date of determination, the Independent Amount applicable to the Floating Rate Payer will be determined pursuant to the formula below. The Independent Amount required to be maintained by the Floating Rate Payer as of any date of determination may change as a result of changes in the IA Percentage and Notional Amount. Any posting of additional Independent Amount, return of excess Independent Amount previously posted and payment of distributions or interests received on the Independent Amount will be pursuant to the provisions of the CSA.

Notwithstanding any provision to the contrary in the CSA, the Eligible Credit Support with respect to Independent Amount will consist of cash in USD only. Counterparty shall purchase additional RO(s) using such Independent Amount (as converted part of the "Initial Exchange") and any distributions received on assets purchased using the Independent Amount shall be paid to the Swap Counterparty.

With respect to the Floating Rate Payer and as of any date of determination, the Independent Amount shall be equal to an amount that is equal to the product of (i) IA Percentage (effective as of such date) and (ii) Notional Amount / Initial FX Rate and (iii) Initial Price (effective as of such date).

Initial Independent Amount On the Effective Date, Floating Rate Payer shall pay to the Total Return Payer an amount in USD equal to the product of (i) Initial Notional Amount * Initial Factor / Initial FX Rate and (ii) the Initial IA Percentage and (iii) Initial Price.

For the avoidance of doubt, the obligation of Floating Rate Payer and the Total Return Payer to pay the Initial Independent Amount and the Initial Exchange Amount, respectively, shall be subject to payment netting pursuant to Section 2(c) of the Master Agreement.

Reduction in the Independent Amounts On each Interim Exchange Date, Total Return Payer shall pay to Floating Rate Payer an amount in USD equal to the product of (i) the principal amount of the RO satisfied by the Actual Principal Repayment / Initial FX Rate and (ii) the IA Percentage (effective as of such date) and (iii) the Initial Price.

Return of the Independent Amount On the Termination Date and subject to Section 8 of the CSA, if the Termination Date does not occur as a result of the Factor being reduced to zero, Total Return Payer shall return to Floating Rate Payer an amount in USD equal to the IA Balance as at the Termination Date pursuant to the provisions of the CSA.

IA Balance In relation to any TRS Transaction, and as of any date, MS shall ensure that the Issuer holds a Posted Credit Support balance as it relates to MS's Independent Amount with a Value equal to:

- (i) the Initial Independent Amount; plus
- (ii) the aggregate of any amounts paid by the Floating Rate Payer to the Total Return Payer following an increase in the IA Percentage; less
- (iii) the aggregate of any amounts paid by the Total Return Payer to the Floating Rate Payer following a reduction in the IA Percentage; less
- (iv) any reductions to the Independent Amount pursuant to "Reduction in the Independent Amount" above, up to such date.

IA Percentage As of any date of determination and in respect of any RO, the percentage as determined by MS in its sole discretion, subject to a minimum of the relevant percentage set out for such RO in Appendix 3.

On the Effective Date, the IA Percentage will be the Initial IA Percentage set out in Appendix 3.

7. Removal Events

Removal Events In the event that either of the below occurs, , as determined by the Calculation Agent acting in its sole and absolute discretion:

- Withholding Event

then MS may designate a Removal Event in respect of the relevant RO.

Withholding Event If any amount payable in respect of the RO to the Holder will be subject to withholding or deduction for or on account of any tax, levy, duty or charge of any nature that is imposed by any governmental or taxing authority.

Removal Date The date, as designated by MS, which falls on or prior to 30 Business Days after MS notifies Counterparty that a Removal Event has occurred.

8. Definitions

Accrued Floating Amount In respect of a date, an amount in USD equal to the Floating Amount, determined for these purpose only as though the Floating Rate Calculation Period were the period from (and including) the immediately preceding Floating Rate Payer Payment Date (or, in relation to a date during the initial Floating Rate Calculation Period, the Effective Date) to (but excluding) that date.

Actual Coupon Payments All payments, including, without limitation, interest, dividends, distributions and fees, if any, that are received (net of any applicable taxes whatsoever and any other withholding or deduction) by a Holder of a Reference Obligation (other than any sale proceeds or Actual Principal Repayments) (whether paid by the Reference Entity, Insurer, Guarantor or other obligor or as a result of enforcement of security).

For the avoidance of doubt, "interest" shall include all payments made on or after the Effective Date, if any, in the nature of interest paid in respect of such Reference Obligation (including prepayment penalty interest amounts or yield maintenance payments, write-down reimbursements, accrued interest on interest shortfall amounts) and all other distributions that would constitute or be treated as interest as determined by the Calculation Agent in accordance with the market practice, excluding any capitalised interest and Actual Principal Repayments. To avoid double-counting of interest, "interest" shall exclude interest which accrued whilst the relevant TRS Transaction was outstanding and for which account has been

taken in determining the Final Price.

Each Actual Coupon Payment will be calculated having reference to such factors as the Calculation Agent may consider relevant, including (a) any withholding or deduction of taxes imposed by or on behalf of any applicable authority having power to tax in respect of the payments under or in respect of the RO, (b) any imputation or other credits, refunds or deductions granted by any applicable authority having power to tax in respect of such payments under or in respect of the RO and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon and (c) the tax status of the Reference Entity, the Insurer, or Guarantor, if applicable, and the Holder, in respect of the RO.

Actual Principal Repayments

All payments made on or after the Effective Date in respect of the reimbursement of the principal amount of the RO including principal payments on the maturity date (including capitalised interest) and make-whole or premium payments, if any, that are received (net of any applicable taxes whatsoever and any other withholding or deduction) by a Holder (whether paid by the Reference Entity, Guarantor or the Insurer, if applicable, or other obligor or as a result of enforcement of security).

Each Actual Principal Repayment will be calculated having reference to such factors as the Calculation Agent may consider relevant, including (a) any withholding or deduction of taxes imposed by or on behalf of any applicable authority having power to tax in respect of the payments under or in respect of the RO, (b) any imputation or other credits, refunds, or deductions granted by any applicable authority having power to tax in respect of such payments under or in respect of the RO and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon and (c) the tax status of the Reference Entity, the Insurer, or Guarantor, if applicable, and the Holder, in respect of the RO.

Guarantor or Insurer

With respect to each RO, as set out in Appendix 1.

Holder

In respect of a RO, a hypothetical holder of a principal amount of the RO equal to the Notional Amount which is a company with a tax residence, tax domicile and status equivalent to the tax residence, tax domicile and status of the Total Return Payer.

9. Additional Provisions

Representations from Counterparty

Counterparty hereby represents, agrees and acknowledges that:

- (1) Counterparty has not and will not perform any services related to the Facility within the United States and shall not execute any documents related to the Facility within the United States. The representation in the preceding sentence shall also be made for purposes of Section 3(f) of the Master Agreement.
- (2) In the event that Total Return Payer acquires any RO relating to a TRS Transaction (to hedge its obligations under the relevant TRS Transaction or otherwise) it shall supply all the relevant tax forms and certifications to the obligor or paying agent (or any other agent) of the RO in order to prevent any tax withholding or deduction.
- (3) It is entering into this Agreement, any Credit Support Document to which it is a party, each Transaction, and any other documentation relating to this Agreement or any Transaction as principal (and not as agent or in any other capacity, fiduciary or otherwise).
- (4) It continuously represents that it is not (i) an employee benefit plan (hereinafter an "ERISA Plan"), as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), subject to Title I of ERISA or a plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended, or subject to any other statute, regulation, procedure or restriction that is materially

similar to Section 406 of ERISA or Section 4975 of the Code (together with ERISA Plans, “Plans”), (ii) a person any of the assets of whom constitute assets of a Plan, or (iii) in connection with any Transaction under this Agreement, a person acting on behalf of a Plan, or using the assets of a Plan. It will provide notice to the other party in the event that it is aware that it is in breach of any aspect of this representation or is aware that with the passing of time, giving of notice or expiry of any applicable grace period it will breach this representation.

Representation from MS

For the purposes of Section 3(f) of the Agreement, MS hereby makes the following representation:

- (1) It is either:
 - (a) a company (1) which (A) by virtue of the law of a relevant territory, is resident in the relevant territory for the purposes of tax, and that relevant territory imposes a tax that generally applies to interest receivable in that relevant territory by companies from sources outside that relevant territory or (B) is incorporated in the United States and subject to United States federal income tax on its worldwide income, and (2) which does not receive payments hereunder in connection with a trade or business which is carried on in Ireland by it through a branch or agency, and, in this context, “relevant territory” means (i) a Member State of the European Communities (other than Ireland); (ii) not being such a Member State, a territory with which Ireland has a double taxation treaty in force; or (iii) not being a territory referred to in (i) or (ii), a territory with which Ireland has signed a double taxation treaty which upon completion of the necessary procedures will come into force; or
 - (b) a company and (1) the interest, if any, payable to it hereunder, is exempted from the charge to income tax under a double taxation treaty in force between Ireland and another territory, or would be exempted from the charge to income tax if a double taxation treaty made between Ireland and another territory on or before the date of payment, but not yet in force, had the force of law when the interest was paid, and (2) it does not receive payments hereunder in connection with a trade or business which is carried on in Ireland by it through a branch or agency; and
- (2) Under the laws of a relevant territory (as defined in (1)(a) above), payments made by Counterparty under this Agreement will be subject, without reduction computed by reference to the amount of such payment, to a tax in that relevant territory which generally applies to profits, income or gains received in that relevant territory, by persons, from sources outside that territory.

Additional Agreements

In addition

- (1) Notwithstanding any other provision of this Confirmation or any other agreement between the parties to the contrary (including agreements to which this Confirmation is subject) any payments of the Facility Fee shall be net of U.S. withholding taxes.
- (2) In the event that Floating Rate Payer sells to Total Return Payer any asset Equivalent to an RO relating to a TRS Transaction (to enable Total Return Payer to hedge its obligations under the relevant TRS Transaction or otherwise), Floating Rate Payer

represents that it intends to transfer full legal title to such asset so transferred to Total Return Payer free and clear of any security interest, lien or encumbrance.

- (3) In the event that Total Return Payer acquires any RO relating to a TRS Transaction (to hedge its obligations under the relevant TRS Transaction or otherwise), the Total Return Payer and the Floating Rate Payer agree that the relevant TRS Transaction is intended to be treated as not transferring any interest in any RO to Floating Rate Payer nor establishing a partnership, agency relationship or any business entity with the Floating Rate Payer for all purposes, including tax purposes.
- (4) The Total Return Payer and the Floating Rate Payer agree that each relevant TRS Transaction is intended to be treated as a "notional principal contract" for U.S. Federal income tax purposes.
- (5) The terms of this Confirmation and the other Trade Documents shall be construed to further the intentions of the parties set out in (2) through (4), above.

Amendments to the Agreement

Notwithstanding the Agreement,

- (1) In Section 5(a)(i) the phrase "on or before the third Local Business Day after notice of such failure is given to the party" shall be deleted and replaced with the phrase "on or before the first Local Business Day after notice of such failure is given to the party";
- (2) In Section 5(a)(v)(2), the phrase "three Local Business Days" in the parenthetical "(or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period)" shall be deleted and replaced with the phrase "one Local Business Day" in such parenthetical; and
- (3) In Sections 5(a)(vii)(4) and 5(a)(vii)(7) the words "30 days" shall be deleted and replaced with the words "15days".

Yours sincerely

MORGAN STANLEY & CO. INTERNATIONAL PLC

By: _____

Name:

Title:

Confirmed as of the date first written above:

ELVA FUNDING PLC

By: _____

Name:

Title:

APPENDIX 1

TRS TRANSACTIONS

The following tables provide information in respect of the assets expected to be purchased by the Issuer a third party in connection with the Notes.

TRS Transaction ID	RO	Reference Entity	Guarantor/Insurer	Specified Currency	Effective Date	Initial FX Rate	Transaction Termination Date	Initial Notional Amount	Credit Rating	Initial Price	ISIN	Initial IA Percentage	Initial Factor	RO Scheduled Payment Dates
1														
2														
3														

APPENDIX 2

PORTFOLIO SUBSTITUTION ELIGIBILITY CRITERIA

Each new RO must satisfy the following criteria on the Trade Date of the relevant TRS:

The Floating Rate Payer, or its affiliates, may not have issued or guaranteed the RO.

The RO satisfies the Generic Criteria.

As of the Trade Date and Effective Date, payments in respect of the RO would be made to MS without any deduction or withholding for or on account of any taxes if it was the legal or beneficial owner of the RO.

Generic Criteria:

- (i) The RO is a payment obligation that by its terms converts into cash within a finite time period based on a principal balance or other payable amount that may not be reduced as a result of the occurrence or non-occurrence of any event or circumstance (other than payment), provided that such obligation may be subject to customary limited recourse provisions;
- (ii) The RO is capable of being subject to a first fixed charge under English law;
- (iii) The RO is capable of being sold, assigned or participated to the Total Return Payer and is capable of being sold, assigned or participated by the Total Return Payer without any breach of applicable selling restrictions or of any contractual provisions or of any legal or regulatory requirements and the Total Return Payer does not require any authorisations, consents approvals or filings (other than such as have been obtained or effected) as a result of or in connection with any such sale, assignment or participation under any applicable law;
- (iv) The RO does not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations (including any tax liability or obligation) of the holder thereof (which, for the avoidance of doubt, is the case for a Revolver a portion of which remains undrawn) other than those (i) which may arise at its option; or (ii) which are fully funded;
- (v) the ownership of such obligation by the Total Return Payer would not violate any applicable law, rule or regulation; and
- (vi) such obligation must be a "qualifying asset" within the meaning of section 110(1) of the Taxes Consolidation Act, 1997 (the TCA).

APPENDIX 3

MINIMUM IA PERCENTAGES

Tier 1 Country: any of EEA or non-EEA G10 countries

Tier 2 Country: any country that is not a Tier 1 Country

Country of the RO: country of the issuer or debtor. When applicable and if looking at the country of the guarantor instead leads to lower IA then Country of the RO shall be the country of the guarantor.

Cash, Central government, Government agency, Regional and local government

IA Percentage = 0%

Corporate Bonds and Loan

IA Percentage = 5%

Asset Backed Securities (including RMBS, CMBS and CLO)

IA Percentage = 5%

Tier 2 Countries

An additional 5% IA requirement will be applied on the absolute value of the subset of the Portfolio consisting of assets from any Tier 2 Country.

Seniority

An additional 5% IA requirement will be applied on the absolute value of the subset of the Portfolio consisting of assets of subordinated debt.

APPENDIX 4

FORM OF PORTFOLIO ADJUSTMENT NOTICE

Portfolio Adjustment Notice

Dear Sirs,

We refer to the Confirmation dated [●] with reference number [● Reference Number], between Elva Funding PLC (Total Return Payer), and Morgan Stanley & Co. International plc (the Floating Rate Payer) relating to a TRS Facility (the TRS Facility Confirmation). This notice constitutes a Portfolio Adjustment Notice for the purposes of the TRS Facility Confirmation.

The terms of the transaction are as follows:

Trade Date:	[●]
[Effective Date of Portfolio Adjustment]:	[●] [(anticipated and subject to change)]
RO:	[●]
CUSIP/ISIN (if applicable):	[●]
Reference Entity:	[●]
Insurer or Guarantor (if applicable):	[●]
Specified Currency:	[●]
Initial Notional Amount:	[Specified Currency [●]]
[Initial/Final] Price:	[●]
[Initial] Factor:	[●]
Initial FX Rate:	[●]
[Transaction Termination Date	[●]]
Credit Rating	[●]
[Initial IA Percentage	[●]]
RO Scheduled Payment Dates	[●]
[Terminated Notional Amount]	[●]

[As a result of the Portfolio Adjustment, the Notional Amount will be, as of the date the Portfolio Adjustment becomes effective, [?]]

Yours faithfully

Morgan Stanley & Co. International plc

APPENDIX 5

FORM OF CROSS-CURRENCY SWAP

DATE: []

TO: Elva Funding PLC (**Counterparty**)

FROM: Morgan Stanley & Co. International plc (**MS**)

SUBJECT: Form of Cross-Currency Swap

MS Ref Numbers: []

Unique Swap Identifier (USI): []

The purpose of this communication (this **Confirmation**) is to set forth the terms of each cross-currency swap transaction with respect to each RO denominated in a currency other than the USD (the **Transaction**). This communication constitutes a **Confirmation** as referred to in the Master Agreement specified below. This communication supersedes all prior communications regarding the Facility.

This Confirmation is subject to, and incorporates, the 2006 ISDA Definitions (the **Definitions**), as published by the International Swaps and Derivatives Association, Inc. (**ISDA**). In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern. Terms used herein but otherwise not defined here in shall have the same meanings as ascribed thereto in the Registration Document, Securities Note and TRS Facility relating to Elva Funding Plc Series [].

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of [] (including the Schedule thereto and the Credit Support Annex (the **CSA**)), each as amended or replaced from time to time (the **Agreement**) between MS and Counterparty.

All provisions contained in, or incorporated by reference into the Agreement will govern this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and the Definitions the Master Agreement or another Confirmation, as the case may be, this Confirmation will prevail for the purpose of the Facility and each Transaction to which this Confirmation relates.

Upon the addition of a RO denominated in a currency other than the USD, MS and Counterparty shall enter into a Cross-Currency Swap in the form of this Confirmation.

1. General Terms

RO	A RO that is denominated in a currency other than USD
Specified Currency	[]
Trade Date	The date on which a Portfolio Adjustment Notice is sent by MS to add a RO in the Portfolio
Effective Date	The Portfolio Adjustment Date on which the RO is added In the Portfolio.
Notional Amount	As of any date of determination, the Notional Amount of the TRS Transaction in respect of the same RO as of such date.

Initial FX Rate	The spot rate of exchange as of the second Business Day prior to the Effective Date between the USD and Specified Currency as of such date (expressed as an amount of Specified Currency per unit of USD), determined by the Calculation Agent in a commercially reasonable manner.
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2. Initial Exchange

Initial Exchange

On the Effective Date in respect of a RO:

(i) MS shall pay in Specified Currency an amount equal to sum of (x) the product of (a) Initial Notional Amount multiplied by (b) the Initial Factor multiplied by (c) the Initial Price; and

(ii) Counterparty shall pay in USD an amount equal to the product of (a) Initial Notional Amount multiplied by (b) Initial Factor divided by (c) Initial FX Rate multiplied by (d) Initial Price.

3. Interim Exchange

Interim Exchange Payment

On each Interim Exchange Date:

(i) MS shall pay an amount in USD equal to the product of (a) the principal amount of the RO satisfied by the Actual Principal Repayment multiplied by (b) Initial Price divided by (c) Initial FX Rate; and

(ii) Counterparty shall pay an amount in Specified Currency equal to the product of (a) the principal amount of the RO satisfied by the Actual Principal Repayment multiplied by (b) Initial Price.

Interim Exchange Date	The date falling one Business Day following each date on which a Holder of the RO would receive an Actual Principal Repayment.
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4. Final Exchange

Final Exchange	On the Final Exchange Date:
	(i) Counterparty shall pay in Specified Currency an amount equal (x) the product of (a) Notional Amount multiplied by (b) the Initial Price; and
	(ii) MS shall pay in USD an amount equal to the product of (a) Notional Amount divided by (b) Initial FX Rate multiplied by (c) Initial Price.

Final Exchange Date Termination Date.

BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Dealer or any Agent party to the Agency Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

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

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

The Global Note will have an ISIN and a Common Code and will be deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Note, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Note held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so

long as the Notes are represented by such Global Note and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for the Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, unless and until interests in any Global Note held within a Clearing System is exchanged for Definitive Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts the Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

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

TAX CONSIDERATIONS

1. General

Purchasers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Note.

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Note should consult their own tax advisers. In particular, no representation is made as to the manner in which payments under the Notes would be characterised by any relevant taxing authority. Potential investors should be aware that the relevant fiscal rules or their interpretation may change, possibly with retrospective effect, and that this summary is not exhaustive. This summary does not constitute legal or tax advice or a guarantee to any potential investor of the tax consequences of investing in the Notes.

2. Irish Taxation

Introduction

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Taxation of Noteholders

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which should include interest or premium payable on the Notes. References in this disclosure to "interest" payable on the Notes shall also include premium payable on the Notes.

The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note falls within one of the following categories:

1. **Interest paid on a quoted Eurobond:** The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note where:
 - (a) the Notes are quoted Eurobonds i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as the Irish Stock Exchange) and which carry a right to interest; and
 - (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:

- (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
 - (ii) the person who is the beneficial owner of the Note and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and
- (c) one of the following conditions is satisfied:
 - (i) the Noteholder is resident for tax purposes in Ireland; or
 - (ii) the Noteholder is subject, without any reduction computed by reference to the amount of such interest, premium or other distribution, 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; or
 - (iii) the Noteholder is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Noteholder, nor any person connected with the Noteholder, is a person or persons:
 - (A) from whom the Issuer has acquired assets;
 - (B) to whom the Issuer has made loans or advances; or
 - (C) with whom the Issuer has entered into a swap agreement, in each case where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the assets of the Issuer; or
 - (iv) at the time of issue of the Notes, the Issuer was not in possession, or aware, of any information which could reasonably be taken to indicate whether or not the beneficial owner of the Notes would be subject to tax on any interest payments,

where the term:

"relevant territory" means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty (**"Relevant Territory"**); and

"swap agreement" means any agreement, arrangement or understanding that—

- (I) 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
- (II) 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.

Thus, so long as the Notes continue to be quoted on the Irish Stock Exchange, are held in Euroclear and/or Clearstream, Luxembourg, and one of the conditions set out in paragraph 1(c) above is met, interest on the Notes can be paid by any paying agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and one of the conditions set out in paragraph 1(c) above is met.

2. **Interest paid on a wholesale debt instrument:** A "wholesale debt instrument" includes commercial paper (as defined in Section 246A(1) of the Taxes Consolidation Act of Ireland 1997, as amended ("TCA")). In that context "commercial paper" means a debt instrument, either in physical or electronic form, relating to money in any currency, which is issued by financial institution, or a company that is not a financial institution, recognises an obligation to pay a stated amount, carries a right to interest or is issued at a discount or at a premium, and matures within 2 years. The exemption from Irish withholding tax applies if:

- (a) the wholesale debt instrument is held in a recognised clearing system (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); and
- (b) the wholesale debt instrument is of an approved denomination; and in this context an approved denomination means a denomination of not less than:
 - (i) in the case of an instrument denominated in euro, €500,000;
 - (ii) in the case of an instrument denominated in United States Dollars, US\$500,000; or
 - (iii) in the case of an instrument denominated in a currency other than euro or United States Dollars, the equivalent in that other currency of €500,000 (using the conversion rate applicable at the time the programme under which the instrument is to be issued is first publicised); and
 - (iv) one of the conditions in paragraph 1(c) is satisfied.

3. **Interest paid by a qualifying company to certain non-residents:** If, for any reason, the exemptions referred to above cease to apply, interest payments may still be made free of withholding tax provided that:

- (a) the Issuer remains a "qualifying company" as defined in Section 110 of the TCA (a "**Qualifying Company**") and, the Noteholder is a person which is resident in a Relevant Territory, and, where the recipient is a company, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency. The test of residence is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident. The Issuer must be satisfied that the terms of the exemption are satisfied; and
- (b) one of the following conditions is satisfied:
 - (i) the Noteholder is a pension fund, government body or other person (which satisfies paragraph 1(c)(iii) above), which is resident in a Relevant Territory

and which, under the laws of that territory, is exempted from tax that generally applies to profits, income or gains in that territory; or

- (ii) the Noteholder, in respect of such interest, is subject, without any reduction computed by reference to the amount of such interest or other distribution, 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.

The Issuer must be satisfied that the respective terms of the exemptions are satisfied. The test of residence in each case is determined by reference to the law of the Relevant Territory in which the recipient claims to be resident.

For other Noteholders, interest may be paid free of withholding tax if the Noteholder is resident in a double tax treaty country and under the relevant provisions of the tax treaty with Ireland such Noteholder is exempt from Irish tax on the interest and clearance in the prescribed form has been received by the Issuer before the interest is paid.

Deductibility of Interest

New rules contained in the Finance Act 2016 restrict deductibility of interest paid by a Qualifying Company (such as the Issuer) that is profit dependent or exceeds a reasonable commercial return to the extent that the interest is associated with the business of a Qualifying Company of holding “specified mortgages”, subject to a number of exceptions. A “specified mortgage” for this purpose is (a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, Irish land or (b) a ‘specified agreement’ (effectively a profit dependent derivative) which derives all of its value, or the greater part of its value, directly or indirectly, from Irish land, (b) a ‘specified agreement’ (effectively a profit-dependent derivative) which derives all of its value, or the greater part of its value, directly or indirectly, from Irish land or a loan to which (a) applies, (c) the portion of a ‘specified security’ (essentially a security in respect of which, if the Finance Act 2016 rules did not apply, payments on that security would be deductible under section 110 of the TCA), is attributable to the specified property business in accordance with the new rules, or (d) units in an IREF (being a specific form of investment undertaking within the meaning of Chapter 1B of Part 27 of the TCA). The legislation treats the holding of such specified mortgages as a separate business to the rest of the Qualifying Company’s activities. The Qualifying Company is taxed on any profit that is attributable to that business at 25 per cent. and any such interest that is profit dependent or exceeds a reasonable commercial return is not deductible, subject to a number of exceptions, and potentially subject to Irish withholding tax at 20 per cent.

To the extent that the Notes are secured on Irish land or derive their value or the greater part of their value from Irish land, or there is a ‘specified agreement’ for these purposes, then the new rules could apply to payments by the Issuer in respect of the Notes, but only to the extent such payments comprise interest which is profit dependent or exceeds a reasonable commercial return.

Encashment Tax

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or other agent in Ireland on behalf of any Noteholder. Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration to this effect in the prescribed form to the agent or bank.

Income Tax, PRSI and Universal Social Charge

Notwithstanding that a Noteholder may receive interest or premium on the Notes free of Irish withholding tax, the Noteholder may still be liable to pay Irish income tax (and in the case of individuals, the universal social charge and social insurance (**PRSI**)) on such interest if (i) such interest has an Irish source, (ii) the Noteholder is resident (or in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there would also be PRSI liability for an individual in receipt of interest on the Notes), or (iii) the Notes are attributed to a branch or agency in Ireland. .

Interest paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Notes.

Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest payments made by the Issuer are exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and, the interest is paid out of the assets of the Issuer. Secondly, interest payments made by the Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory or the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come in to force once all ratification procedures have been completed. Thirdly, interest paid by the Issuer free of withholding tax under the quoted Eurobond exemption or under the wholesale debt instrument exemption is exempt from income tax, where the recipient is a person not resident in Ireland and resident in a Relevant Territory or is a company not resident in Ireland which is under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory are resident for the purposes of tax in a Relevant Territory and is not under the control of person(s) who are not so resident or is a company not resident in Ireland where the principal class of shares of the company or its 75% parent is substantially and regularly traded on a recognised stock exchange. For the purposes of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Notes which does not fall within the above exemptions may be within the charge to Irish income tax, and, in the case of Noteholders who are individuals, the charge to the universal social charge. In the past the Irish Revenue Commissioners have not pursued liability to income tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

Capital Gains Tax

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is either resident or ordinarily resident in Ireland or carries on a trade or business in Ireland through a branch or agency in respect of which the Notes were used or held and, in the case of Notes which derive more than 50 per cent. of their value from Irish real estate, mineral rights or exploration rights, unless the Notes cease to be quoted on a stock exchange.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs will be levied at 33 per cent) if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland).

Stamp Duty

No stamp duty or similar tax is imposed in Ireland (on the basis of an exemption provided for in Section 85(2)(c) to the Irish Stamp Duties Consolidation Act, 1999), on the issue, transfer or redemption of the Notes, provided that the Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the Notes are used in the course of the Issuer's business.

4. Foreign Account Tax Compliance Act of the United States

Pursuant to provisions of U.S. law commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be treated as a foreign financial institution for these purposes. A number of jurisdictions (including Ireland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Each Noteholder may be required to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or an intermediary) to identify and report on the Noteholder and certain of the Noteholder's direct and indirect U.S. beneficial owners to the U.S. Internal Revenue Service or an Irish tax authority. FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

SUBSCRIPTION AND SALE

The Dealer has agreed with the Issuer to subscribe, or to procure subscriptions, for the Notes at the issue price of 100 per cent. of their initial principal amount, subject to certain Conditions contained therein.

The Issuer has agreed to indemnify the Dealer against certain liabilities incurred in connection with the offer and sale of the Notes.

Attention is also drawn to the information set out on the inside cover of this Securities Note.

The United States of America

The Notes have not been, and will not be, registered under the Securities Act or the state securities laws of any state of the United States or the securities laws of any other jurisdiction. No person has registered nor will register as a commodity pool operator of the Series or the Issuer under the United States Commodity Exchange Act of 1936, as amended (the "**CEA** ") and the rules thereunder (the "**CFTC Rules** ") of the Commodity Futures Trading Commission (the "**CFTC** "), and the Issuer and the Series have not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other United States federal laws. The Notes are being offered and sold in reliance on an exemption from the registration requirements of the Securities Act pursuant to Regulation S.

Accordingly, the Notes may not be offered or sold or otherwise transferred except in an "offshore transaction" (as such term is defined under Regulation S) to or for the account or benefit of any person who is not (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S; or (b) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC Rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person) (such person, a "**U.S. Person**").

Transfers of Notes within the United States or to U.S. Persons are prohibited. Any transfer of Notes to a U.S. Person will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Note in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Note.

The foregoing restrictions on the offer, sale, pledge or other transfer of Notes to a Non-Permitted Transferee may adversely affect the ability of an investor in the Notes to dispose of the Notes in the secondary market, if any, and significantly reduce the liquidity of the Notes. As a result, the value of the Notes may be materially adversely affected.

The Dealer has acknowledged and agreed that as part of its distribution at any time it will only offer, sell or deliver Notes to, or for the account or benefit of, persons who are not U.S. Persons.

This Securities Note has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes on the Irish Stock Exchange. The Issuer and the Dealer reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Securities Note does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Securities Note to any such person or to any person within the United States is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

United Kingdom

The Dealer has represented, warranted and undertaken to the Issuer that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA** ") received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA (including, without limitation, the restrictions on the promotion of non-mainstream pooled investments set out in COBS 4.12 (Restrictions on the promotion of Non-mainstream pooled investments) on the basis that this Private Placement Memorandum is only being provided to and/or directed at Relevant Persons) with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Ireland

The Dealer has represented, warranted and agreed with the Issuer that:

- (a) it will not underwrite the issue of, or place, the Notes 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** "), including, without limitation, Regulations 7 (Authorisation) and 152 (Restrictions on advertising) thereof, any codes of conduct made under the MiFID Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the "Companies Act"), the Central Bank Acts 1942-2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);and
- (c) it will not underwrite the issue of, place or otherwise act in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

General

Except for listing the Notes on the Official List of the Irish Stock Exchange, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Securities Note or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Securities Note does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Securities Note nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Dealer has undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

TRANSFER RESTRICTIONS

Each prospective purchaser of Notes, by accepting delivery of this Securities Note, will be deemed to have represented, acknowledged and agreed that this Securities Note is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than by non-U.S. Persons in offshore transactions in accordance with Regulation S. Distribution of this Securities Note, or disclosure of any of its contents to any person other than a permitted offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of Notes will be deemed to have represented and agreed as follows:

1. In connection with the purchase of the Notes: (a) none of the Issuer, the Dealer or the Trustee is acting as a fiduciary or financial manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Dealer or the Trustee or any of their agents other than any statements in this Securities Note for the Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Dealer or the Trustee has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Dealer or the Trustee; and (e) the purchaser is a sophisticated investor and has evaluated the rates, prices or amounts and other terms, conditions and restrictions applicable to the purchase and sale of the Notes with a full understanding of all of the terms, conditions and risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks.
2. It, and each account for which it is acting, is not a U.S. Person and is acquiring a beneficial interest in the Notes in an offshore transaction meeting the requirements of Regulation S.
3. It understands and acknowledges that no person has registered nor will register as a commodity pool operator of the Series or the Issuer under the CEA or the CFTC Rules.
4. It understands and agrees that the Issuer has the right to compel any legal or beneficial owner of an interest in the Notes to certify periodically that such legal or beneficial owner is not a U.S. Person.
5. It understands and acknowledges that the Issuer has the right to refuse to honour the transfer of an interest in the Notes in violation of the transfer restrictions applicable to the Notes.
6. It, and each person for which it is acting, understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Notes will bear the legend set forth below.
7. It, and each account for which it is acting, agrees, for the benefit of the Issuer, the Dealer and any of its Affiliates, that, any offer, resale, pledge or other transfer of any Notes (or any beneficial interest therein) will be made in compliance with the Securities Act and only to a

Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.

8. The purchaser understands that the Notes may not, at any time, be held by, or for the account of, a U.S. Person, and it understands that any purported transfer in violation of the transfer restrictions applicable to the Notes will be void *ab initio* and will not operate to transfer any rights to the purported transferee.
9. It agrees to provide notice of the restrictions set forth herein to any transferee of its interest in the Notes.
10. The purchaser acknowledges that the Issuer, the Dealer and the Trustee and their Affiliates and counsel will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and it hereby consents to such reliance.

Legend

Unless determined otherwise by the Issuer in accordance with applicable law and so long as the Notes are outstanding, the Notes will bear a legend substantially in the form set forth below:

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD OR OTHERWISE TRANSFERRED AT ANY TIME EXCEPT TO PERSONS WHO ARE NOT (A) A U.S. PERSON AS DEFINED IN RULE 902(K)(1) OF REGULATION S; OR (B) A PERSON WHO COMES WITHIN ANY DEFINITION OF U.S. PERSON FOR THE PURPOSES OF THE UNITED STATES COMMODITY EXCHANGE ACT (THE "**CEA**") OR ANY CFTC RULE, GUIDANCE OR ORDER PROPOSED OR ISSUED UNDER THE CEA (FOR THE AVOIDANCE OF DOUBT, ANY PERSON WHO IS NOT A "**NON-UNITED STATES PERSON**" AS SUCH TERM IS DEFINED UNDER CFTC RULE 4.7(A)(1)(IV), BUT EXCLUDING, FOR PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION FOR QUALIFIED ELIGIBLE PERSONS WHO ARE NOT "NON-UNITED STATES PERSONS", SHALL BE CONSIDERED A U.S. PERSON).

OVERVIEW OF PARTIES TO THE TRANSACTION

The Custodian, the Principal Paying Agent, the Registrar and the Calculation Agent

The Bank of New York – Incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situate at One Canada Square, London E14 5AL.

The Bank of New York is a leading provider of corporate trust and agency services. The Bank and its subsidiaries and affiliates administer a portfolio of more than 90,000 trustee and agency appointments, representing \$3 trillion in outstanding securities for more than 30,000 clients around the world. The Bank is a recognized leader for trust services in several debt products, including corporate and municipal debt, mortgage-backed and asset-backed securities, derivative securities services and international debt offerings.

The Bank of New York Company, Inc. (NYSE: BK) is a global leader in providing a comprehensive array of services that enable institutions and individuals to move and manage their financial assets in more than 100 markets worldwide. The Company has a long tradition of collaborating with clients to deliver innovative solutions through its core competencies: securities servicing, treasury management, asset management, and private banking services. The Company's extensive global client base includes a broad range of leading financial institutions, corporations, government entities, endowments and foundations. Its principal subsidiary, The Bank of New York, founded in 1784, is the oldest bank in the United States and has consistently played a prominent role in the evolution of financial markets worldwide. Additional information is available at www.bankofny.com.

The Custodian and the Principal Paying Agent are required, at all times when the Notes are outstanding, to be (a) with respect to the Custodian, a financial institution with a short term senior unsecured debt rating of at least A1+ from S&P, for so long as the Notes are rated by S&P (the "**Required Custodian Rating**") and (b) with respect to the Principal Paying Agent, a financial institution with a short term senior unsecured debt rating of at least A1 from S&P, for so long as the Notes are rated by S&P (the "**Required Paying Agent Rating**"). In the event that the rating of the Custodian or the Principal Paying Agent falls below the Required Custodian Rating or Required Paying Agent Rating, respectively, or is withdrawn by S&P, the Issuer shall use reasonable endeavours to procure that a replacement custodian and/or Principal Paying Agent, as the case may be, which is acceptable to the Trustee, is appointed whose rating is not less than the Required Custodian Rating or Required Paying Agent Rating, as applicable. Any costs incurred by the Issuer in procuring such replacement custodian and/or Principal Paying Agent will be met by the Arranger.

The Swap Counterparty, Arranger and Dealer

The Swap Counterparty is Morgan Stanley & Co. International plc.

Pursuant to the terms of the Dealer Agreement, Morgan Stanley & Co. International plc has also agreed to act as arranger and dealer in respect of each Series of Notes. Morgan Stanley & Co. International plc is a private company incorporated with limited liability under the laws of England and Wales whose registered office is at 25 Cabot Square, Canary Wharf, London, E14 4QA.

Morgan Stanley & Co. International plc is an indirect wholly owned subsidiary of Morgan Stanley. Morgan Stanley & Co. International plc is a U.K. registered broker dealer. The principal activity of Morgan Stanley & Co. International plc is the provision of financial services to corporations, governments, financial

institutions and individual investors. It is authorised and regulated by the U.K. Financial Services Authority. Morgan Stanley & Co. International plc has securities admitted to, among others, the official list of the London Stock Exchange and admitted to trading on its regulated market.

GENERAL INFORMATION

1. The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings which may have or have had during the 12 months preceding the date of this Securities Note a significant effect on the financial position of the Issuer nor so far as the Issuer is aware is any such litigation or arbitration pending or threatened.
2. There has been no material adverse change in the financial position of the Issuer since the date of its last published audited financial statements.
3. There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since 30 June 2015, being the date of the Issuer's latest audited financial statements.
4. Copies of the following documents in physical form will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer and the Principal Paying Agent for so long as the Notes are outstanding:
 - (i) this Securities Note;
 - (ii) the Supplemental Trust Deed;
 - (iii) the documents specified in paragraph 5 of "General Information" in the Registration Document dated 7 February 2017; and
 - (iv) the Swap Agreement
5. For so long as the Notes are outstanding, copies of the documents listed in 4 above will be available for inspection at the registered office of the Issuer and at the Principal Paying Agent in London.
6. The Notes will initially be represented by a Registered Global Note. This Registered Global Note will be exchanged in whole but not in part for Registered Note Certificates in limited circumstances.
7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code of the Notes and the International Securities Identification Number ("ISIN") for the Notes are XS1565805204 and 156580520, respectively.
8. The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the Board of Directors of the Issuer passed on or about 20 February 2017.
9. Pursuant to the terms of the Principal Trust Deed, a Trustee may retire upon the giving of three months' notice to the Issuer and each Secured Creditor or may be removed by an Extraordinary Resolution of the Holders of the relevant Series of Notes. In circumstances of notice of retirement or removal the Issuer shall procure the appointment of a new trustee as soon as reasonably practicable and such retirement or removal shall not become effective until a successor trustee has been appointed.
10. The Notes are governed by and shall be construed in accordance with English law.
11. The Issuer has irrevocably agreed for the benefit of the Noteholders that the Courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes,

which may arise out of or in connection with the Notes, and, for such purposes has irrevocably submitted to the jurisdiction of such courts.

12. Application has been made to list the Notes on the Irish Stock Exchange and for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange but the Notes may not be listed on the issue date thereof.
13. The Issuer does not intend to provide post issuance transaction information regarding the Notes and/or the performance of any Underlying Assets, other than information which it is required to provide to Noteholders in accordance with the Conditions.
14. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Regulated Market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

INDEX OF DEFINED TERMS

Affiliate	27	Initial FX Rate	8
Beneficial Owner.....	50	Irish Stock Exchange	1
Bilateral CSA	24	ISDA Master Agreement	19
Business Day	27	ISIN	63
CCS Transaction.....	8, 27	Issue Date	27
CEA	57	Issuer.....	1
Central Bank.....	1	Liquidity Facility Agreement	27
CFTC	57	Liquidity Provider.....	27
CFTC Rules	57	Main Securities Market.....	1
Charged Assets	13	Markets in Financial Instruments Directive.....	1
Clearing Systems	49	MiFID Regulations	58
Conditions	14	Noteholder Optional Unwind Period	24
<i>CRA Regulation</i>	1	Noteholder Unwind Conditions	24
Credit Support Annex.....	19	Noteholder Unwind Date	24
CSA	8	Notes	28
Custody Account	27	Novation Charge	25
Dealer	2	Offering	2
Dealer Agreement.....	13	Official List.....	1
Direct Participants	49	Order of Priority	22, 27
Early Redemption Date	27	Outstanding Principal Amount	27
Equivalent.....	8	Participants	49
Exercise Notice.....	23	Principal Amount.....	27
Exercising Noteholder	23	Prospectus Directive	1
FSMA	58	Prospectus Regulations.....	1
General Information	63	Quotation	23
Indirect Participants.....	49	Rating Agency Confirmation.....	27

Redemption Amount	27	Securities Act.....	2
Redemption Date.....	27	Securities Note.....	1
Reference Dealer	23	Security	13
Registration Document.....	1	Supplemental Trust Deed	13
Related Agreements	27	Swap Agreement.....	19, 29
relevant persons	4	Swap Transferee	24
Required Custodian and Paying Agent Rating ...	61	Termination Payment.....	30
RO	8	Trade Documents.....	28
S&P	1, 27	TRS Facility.....	7
Scheduled Maturity Date.....	14	TRS Transaction	7
Secured Creditors	28	U.S. Person	57

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CUSTODIAN, PRINCIPAL PAYING AGENT AND CALCULATION AGENT

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SWAP CALCULATION AGENT AND DETERMINATION AGENT

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