

# PROSPECTUS

## Defensive Certificates PLC

(a public limited company incorporated under the laws of the Republic of Ireland)

Legal Identity Identifier (LEI): 213800Q95DBAH8J68917

### Defensive Certificate 5.00% Italian Financials Equity Linked Coupon - Target 100% Protection due 2028 (the "Certificates")

Issue Price: 100 per cent.

This document constitutes a prospectus (the "**Prospectus**") for the purposes of Article 6(3) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"). This Prospectus contains information about the issue by Defensive Certificates PLC (the "**Company**") as issuer of the certificates described above (the "**Certificates**") and has been prepared in accordance with Article 6 of the Prospectus Regulation. This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference.

The Certificates will be issued on the terms set out in the section of this Prospectus entitled "*Master Conditions*" (pages 80 to 156 inclusive) (the "**Master Conditions**"), as supplemented or modified by the terms set out in the section of this Prospectus entitled "*Pricing Conditions*" (pages 157 to 183 inclusive) (the "**Pricing Conditions**") and as further supplemented or modified by the provisions of the Global Certificate representing the Certificates (together, the "**Conditions**"). The provisions of such Global Certificate are summarised in the section of this Prospectus entitled "*Summary of Provisions Relating to the Certificates While in Global Form*" in Appendix A.

This Prospectus has been prepared on the basis that offers are not made within an exemption from the requirement to publish a prospectus under Article 1(4) of the Prospectus Regulation (a "**Non-exempt Offer**"). Any person making or intending to make a Non-exempt Offer of the Certificates on the basis of this Prospectus must do so only with the Company's consent – see the section of this Prospectus entitled "*Consent to the use of the Prospectus in connection with Non-exempt Offers*" below.

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Company or the quality of the Certificates that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Certificates.

The Company will make reasonable efforts to arrange for the Certificates to be listed on the SeDex market of Borsa Italiana (the "**SeDex Market**") and admitted to trading on the SeDex Market, within 2 days of the Issue Date. No assurance can be given that such listing will be obtained and/or maintained. The SeDex Market is not a regulated market pursuant to the provisions of the Directive 2014/65/EU.

The SeDex Market assumes no responsibility on the correctness of any of the statements made or opinions expressed or reports contained in this Prospectus. Admission to trading and listing on the SeDex market is not to be taken as an indication of the merits of the Company or the Certificates.

The Certificates are equity-linked in that (i) the interest amounts payable in respect of each Certificate will be linked to the performance of the worst performing share amongst a basket of shares (each, a "**Reference Share**" and together, the "**Reference Shares**") and (ii) the redemption amount payable on the maturity date of the Certificates, or any early redemption amount payable by the Company upon an early redemption of the Certificates, will be linked to the net asset value of up to EUR 100,000,000 of Class A Shares in Smart Global Defence Zero Coupon Fineco AM Fund, a sub-fund of FAM SERIES UCITS ICAV (the "**Fund**") due 30 June 2028 held by the Company (the "**Underlying Fund Shares**").

**Prospective investors should have regard to the factors described under the sections headed "*Risk Factors*" on pages 9 to 47 inclusive and "*Conflicts of Interest*" on pages 48 to 49 inclusive of this Prospectus. In particular, prospective investors should note that the Company is a special purpose vehicle and that investors in the Certificates have recourse only to the Mortgaged Property (as defined in the Conditions) with respect to the Certificates. No other assets are available to the Company to make payments to the Certificateholders or other creditors. The Certificates are not guaranteed by, and are not the responsibility of, any other entity. If the Certificates redeem early, if there is a default at maturity or if there is an enforcement of security then any sums realised from the Mortgaged Property with respect to the Certificates will be paid to the Certificateholders and other creditors with respect to the Certificates in accordance with a defined order of priority. In such order, the claims of other creditors will be met before the claims of the Certificateholders. If there are insufficient sums available, this may result in the Certificateholders not receiving payment in full or at all.**

The Certificates will not be rated.

**ARRANGER AND DEALER**

**J.P. Morgan**

15 April 2024

THE CERTIFICATES ARE COMPLEX INSTRUMENTS THAT INVOLVE SUBSTANTIAL RISKS AND MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE CERTIFICATES IN LIGHT OF THEIR OWN CIRCUMSTANCES AND FINANCIAL CONDITION. EACH PROSPECTIVE INVESTOR IN THE CERTIFICATES SHOULD HAVE SUFFICIENT FINANCIAL RESOURCES AND LIQUIDITY TO BEAR ALL OF THE RISKS OF AN INVESTMENT IN THE CERTIFICATES. OWING TO THE STRUCTURED NATURE OF THE CERTIFICATES, THEIR PRICE MAY BE MORE VOLATILE THAN THAT OF UNSTRUCTURED SECURITIES.

INVESTORS MUST SATISFY THEMSELVES AS TO THE NATURE, IDENTITY AND CREDIT STATUS OF THE FUND AND THE COUNTERPARTY AND THE EXTENT OF THE CREDIT EXPOSURE TAKEN.

DEFAULT OR SIMILAR EVENTS BY, OR IN RESPECT OF, THE COUNTERPARTY OR TAX IMPOSITION AND OTHER EVENTS AFFECTING THE SWAP AGREEMENT MAY CAUSE THE CERTIFICATES TO REDEEM EARLY. DEFAULT OR SIMILAR EVENT BY, OR IN RESPECT OF, THE FUND OR DEFAULT WITH RESPECT TO ANY UNDERLYING FUND SHARES OR THE FAILURE OF ANY UNDERLYING FUND SHARES TO PAY IN ACCORDANCE WITH THEIR EXPECTED PAYMENTS SCHEDULE OR TAX IMPOSITION AND OTHER EVENTS AFFECTING ANY UNDERLYING FUND SHARES MAY LEAD TO AN EARLY REDEMPTION OF THE CERTIFICATES. ANY OF THESE EVENTS MAY CAUSE SIGNIFICANT LOSSES TO THE CERTIFICATEHOLDERS AND IF THE CERTIFICATES ARE REDEEMED, MAY RESULT IN THE CERTIFICATES REDEEMING AT ZERO.

#### **Responsibility**

The Company accepts responsibility for the information given in this Prospectus. To the best of its knowledge the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect its import. The information set out in this Prospectus relating to the Underlying Fund Shares and the Fund has been obtained from the Fund. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by the Fund, no facts have been omitted that would render the reproduced information inaccurate or misleading.

The information contained in the section of the Prospectus entitled "*Description of the Fund and the Underlying Fund Shares*" (pages 187 to 188 inclusive) includes information in respect of the Fund and the Underlying Fund Shares (each as defined in the Conditions contained in this Prospectus) (the "**Underlying Fund Shares Information**").

The Company has only made very limited enquiries in relation to the Underlying Fund Shares Information, and neither the Company, the Arranger, the Dealer, the Calculation Agent, the Broker, the Counterparty nor the Trustee makes any representation or warranty, express or implied, as to the accuracy or completeness of the Underlying Fund Shares Information and prospective investors in the Certificates should not rely upon, and should make their own independent investigations and enquiries in respect of, the Underlying Fund Shares, the financial condition and affairs and creditworthiness of the Fund and the tax, accounting, legal and regulatory consequences of an investment in the Certificates. Certificateholders who purchase Certificates may, as a result of any relationship such Certificateholders have with the Fund, have access to information relating to the Fund which is not publicly available and is not available to other Certificateholders. Neither the Dealer nor the Company shall have any obligation to disclose to any Certificateholder or any prospective investor in Certificates any such information (whether or not confidential) (whether such Certificateholders purchase Certificates upon their primary issue or in the secondary market).

#### **Consent to the use of the Prospectus**

The Company consents to the use of this Prospectus in connection with the offer of the Certificates during the period commencing from, and including, 18 April 2024 to, and including, 20 May 2024 (the "**Offer**

**Period**) by FinecoBank S.p.A. of Piazza Durante 11, Milan 20131, Italy (the “**Distributor**”) in the Italian Republic, for so long as it is authorised to make such offers under MiFID II and in the Italian Republic.

Certificates may be sold by the Distributor from time to time to retail purchasers of the Distributor in the Italian Republic. These sales shall be conducted by the Distributor in accordance with the terms and conditions set out in the section of this Prospectus entitled “*Terms and Conditions of the Offer*”.

### **Form of Certificates**

The Certificates are in registered form.

### **Risk Factors**

Investing in the Certificates involves risks. Before purchasing the Certificates, investors should carefully consider, in particular, “*Risk Factors*” below.

### **Warning**

You are about to purchase a product that is not simple and may be difficult to understand. The Certificates are equity-linked in that (i) the interest amounts payable in respect of each Certificate will be linked to the performance of the worst performing Reference Share amongst a basket of Reference Shares and (ii) the redemption amount payable on the maturity date of the Certificates, or any early redemption amount payable by the Company upon an early redemption of the Certificates, will be linked to the net asset value of the Underlying Fund Shares. **Investors should therefore be prepared to be exposed to the risks related to the Reference Shares and Underlying Fund Shares. The payment of any interest amounts in respect of any interest accrual period is variable and not guaranteed, and in the worst case scenario may be zero. If the value of the Underlying Fund Shares does not move in the anticipated direction, the Certificates may return less than the amount invested, and in a worst case scenario, investors may lose up to the entire value of their investment.**

Any decision to invest in the Certificates should be based on a consideration of the Prospectus as a whole by the investor. Any investor could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary set out in the section entitled “*Summary*” of this Prospectus, including any translation thereof, but only if such summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Certificates.

### **Language**

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

### **Target Market**

Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”) and (ii) all channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

## References to “EUR”

In this Prospectus, unless otherwise specified or the context otherwise requires references to “EUR” are to Euros, the single currency adopted by certain member states of the European Community pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union.

## IMPORTANT – UK RETAIL INVESTORS

THE CERTIFICATES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AT ANY TIME TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AT ANY TIME TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM (THE “UK”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A “RETAIL CLIENT” AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE “EUWA”); (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (“FSMA”) AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF THE REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY THE PRIIPS REGULATION AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (THE “UK PRIIPS REGULATION”) FOR OFFERING OR SELLING THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE AT ANY TIME TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

## DISCLAIMERS

**No verification by the Arranger or Dealer:** Neither the Arranger nor the Dealer has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger or the Dealer as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Company in connection with the Certificates. Neither the Arranger nor the Dealer accepts liability in relation to the information contained in this Prospectus or any other information provided by the Company in connection with the Certificates.

**No fiduciary role:** None of the Company (or any directors, officers or shareholders), the Dealer or any of the Transaction Parties or any of their respective affiliates is acting as an investment adviser or as an adviser in any other capacity, and none of them (other than the Trustee to the extent set out in the Trust Deed) assumes any fiduciary obligation to any purchaser of Certificates or any other party, including the Company. None of the Company (or any directors, officers or shareholders), the Dealer or any of the Transaction Parties assumes any responsibility for (i) conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of the Fund or the terms thereof or of any Counterparty or the terms of relevant Swap Agreement (ii) monitoring the Fund or any Counterparty, during the term of the Certificates.

**No reliance:** Investors may not rely on the views of the Company, the Dealer or any of the other Transaction Parties for any information in relation to any person.

**Independent review and advice:** This Prospectus is not, nor does it purport to be, investment advice. None of the Company, the Arranger, the Broker, the Dealer, the Trustee, the Counterparty, the Custodian or any Agent, or any affiliate of any of them (including any directors, officers or employees thereof), is acting as an investment adviser or providing advice of any other nature, or assumes any fiduciary obligation, to any investor in Certificates.

None of this Prospectus or any other information supplied in connection with the Certificates is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Company or the Dealer that any recipient of this Prospectus or any other information supplied in connection with the Certificates should purchase any of the Certificates. An investment in the Certificates is subject to a very high degree of complex risks which may arise without warning. The Certificates may at times be volatile and losses may occur quickly and in unanticipated magnitude. The Certificates are speculative and bear the risk that they could lose some or all of their investment in certain circumstances (see risk factor entitled "*Investors in Certificates may receive back less than the original invested amount*" on page 23). No person should acquire any Certificates unless (i) that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss and (ii) any investment in the Certificates is consistent with such person's overall investment strategy. Each investor in the Certificates should consider carefully whether the Certificates are suitable for it in the light of such investor's investment objectives, financial capabilities and expertise. Investors in the Certificates should consult their own business, financial, investment, legal, accounting, regulatory, tax and other professional advisers to assist them in determining the suitability of the Certificates for them as an investment. Each investor in the Certificates should be fully aware of and understand the complexity and risks inherent in the Certificates before it makes its investment decision in accordance with the objectives of its business. See the section entitled "*Risk Factors*".

**Suitability of investment:** Each investor in the Certificates must determine the suitability of such investment in light of the investor's own circumstances. In particular, each investor should:

- (a) have sufficient knowledge and experience (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) to evaluate the Certificates, the merits and risks of investing in the Certificates, all information contained or

incorporated by reference into this Prospectus and all information contained in this Prospectus or any supplement (if any);

- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of the investor's particular financial situation, an investment in the Certificates and the impact the Certificates will have on the investor's overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including where the settlement currency is different from the currency in which such investor's principal financial activities are principally denominated;
- (d) understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the terms of the Certificates, including certain agreements and representations that any person who purchases Certificates at any time is required to make, or is deemed to have made, as a condition to purchasing the Certificate or any legal or beneficial interest therein, and be familiar with any relevant financial markets;
- (e) understand thoroughly and evaluate (either alone or with the help of a financial adviser and/or other professional adviser) the rates, prices, amounts and other terms and conditions of the Certificates and the Transaction Documents, all of the risks thereof (economic and otherwise, including those which relate to the Underlying Fund Shares and the Fund), and be capable of assuming and be willing to assume (financially and otherwise) those risks;
- (f) in respect of the Reference Shares, understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the nature of the Reference Shares and how the performance thereof may affect the pay-out and value of the Certificates;
- (g) be able to evaluate (either alone or with the help of a financial adviser and/or other professional adviser) possible scenarios for economic, interest rate and other factors that may affect the investment and the investor's ability to bear the applicable risks;
- (h) review the publicly available information relating to the Fund, including but not limited to, publicly available budgetary and other financial information of the Fund and otherwise must have, in its professional judgement, sufficient independent access to information concerning the Fund, and be satisfied that as a reasonable retail investor it is in a sufficiently informed position to be able to make its decision to invest in the Certificates;
- (i) only invest in the Certificates if its purchase of the Certificates would be fully consistent with its financial objectives and condition, complies with all investment policies, guidelines and restrictions applicable to it and has determined the Certificates are a suitable investment for it;
- (j) be able to sustain a complete loss on its investment in the Certificates, can bear the lack of liquidity with respect to its investment in the Certificates and has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Certificates.

The Certificates are complex financial instruments. An investor should not invest in Certificates unless it has the expertise (either alone or with a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact that the Certificates will have on the investor's overall investment portfolio.

Prospective investors in the Certificates must make their own investment decisions based upon their own judgement as an investor and upon any advice from such advisers as they deem necessary or desirable in connection with its decision to purchase the Certificates and not upon any view expressed by the

Company, the Arranger, the Dealer, the Calculation Agent, the Broker, the Counterparty or the Trustee (including any directors, officers, employees or representatives thereof).

**No offer:** This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Company or the Dealer to subscribe for, or purchase, any Certificates. The distribution of this Prospectus and the offering or sale of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Company and the Dealer to inform themselves about and to observe any such restrictions. The publication of this Prospectus is not intended as an offer or solicitation for the purchase or sale of any Certificates in any jurisdiction where such offer or solicitation would violate the laws of such jurisdiction.

**No representations:** None of the Company, the Arranger, the Dealer, the Calculation Agent, the Broker, the Counterparty or the Trustee (including any directors, officers, employees or representatives thereof) has given or gives (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 Certificates. Prospective investors in the Certificates must make their own investment decisions based upon their own judgement as an investor and upon any advice from such advisers as they deem necessary or desirable in connection with its decision to purchase the Certificates and not upon any view expressed by the Company, the Arranger, the Dealer, the Calculation Agent, the Broker, the Counterparty or the Trustee (including any directors, officers, employees or representatives thereof).

None of the Company, the Arranger, the Broker, the Dealer, the Trustee, the Counterparty, the Custodian or any Agent, or any affiliate of any of them (including any directors, officers or employees thereof), makes any representation or warranty whatsoever or accepts any responsibility with respect to the Underlying Fund Shares or the creditworthiness of the Fund. In addition, none of the Company, the Arranger, the Broker, the Dealer, the Trustee, the Counterparty, the Custodian or any Agent, or any affiliate of any of them (including any directors, officers or employees thereof), makes any representation or warranty whatsoever or accepts any responsibility as to the effect or possible effect of the linking of any payments due under the Certificates to the performance of the Fund. None of the Arranger, the Broker, the Dealer, the Trustee, the Counterparty, the Custodian or any Agent, or any Affiliate of any of them (including any directors, officers or employees thereof), undertakes to review the financial condition or affairs of the Company during the life of any arrangements contemplated by this Prospectus, or to advise any purchaser or potential purchaser of any Certificates of any information coming to the attention of any of the parties which is not included in this Prospectus.

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

**Provision of information:** None of the Company, the Arranger, any Transaction Party nor any Affiliate of any such persons makes any representation as to the credit quality of the Counterparty or any Counterparty Posted Collateral. Any of such persons may have acquired, or during the term of the Certificates may acquire, non-public information in relation to the Counterparty and/or the Counterparty Posted Collateral. None of such persons is under any obligation to make such information directly available to Certificateholders. None of the Company, the Arranger, any Transaction Party nor any Affiliate of any such persons is under any obligation to make available any information relating to, or keep under review on the Certificateholders' behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of the Counterparty or any issuer/obligor in relation to any Counterparty Posted Collateral transferred to the Company under the Credit Support Annex or conduct any investigation or due diligence thereon.

**Distribution: Investors should be aware that information on the terms and conditions of the offer by any financial intermediary shall be provided at the time of the offer by the financial intermediary.**

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the issue or sale of the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or the Dealer. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or the date upon which this document has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Company since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the Certificates is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Dealer expressly does not undertake to review the financial condition or affairs of the Company at any time.

**General Notice**

EACH PURCHASER OF CERTIFICATES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE CERTIFICATES OR POSSESSES OR DISTRIBUTES THIS PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF THE CERTIFICATES 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 COMPANY, THE ARRANGER OR THE DEALER (INCLUDING THE DIRECTORS, OFFICERS OR EMPLOYEES THEREOF) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

CERTIFICATES MAY BE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE AS DETAILED IN THIS PROSPECTUS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN CERTIFICATES UNTIL THE MATURITY DATE SPECIFIED FOR THE CERTIFICATES IN THE PRICING CONDITIONS.

**Important Notice Regarding Certain United States Laws**

THE CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE COMPANY HAS NOT BEEN NOR WILL BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**") IN RELIANCE, WHERE APPLICABLE, ON THE EXCEPTION PROVIDED UNDER SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT.

THE CERTIFICATES WILL BE OFFERED AND SOLD AS PART OF THEIR DISTRIBUTION AND AT ALL OTHER TIMES ONLY OUTSIDE THE UNITED STATES TO, OR FOR THE ACCOUNT OR BENEFIT OF (I) NON-U.S. PERSONS IN COMPLIANCE WITH REGULATIONS S UNDER THE SECURITIES ACT ("**REGULATION S**"), (II) NON-U.S. PERSONS (AS DEFINED IN THE CREDIT RISK RETENTION REGULATIONS ISSUED UNDER SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934) AND (III) ANY PERSON WHO IS A NON-UNITED STATES PERSON (AS DEFINED IN RULE 4.7 UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936 BUT EXCLUDING, FOR THE PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION TO THE EXTENT THAT IT WOULD APPLY TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE CREDIT RISK RETENTION REGULATIONS



IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF U.S. PERSON UNDER REGULATION S.

ANY INVESTOR IN THE CERTIFICATES (INCLUDING PURCHASERS FOLLOWING THE ISSUE DATE OF THE CERTIFICATES) SHALL BE DEEMED TO GIVE THE REPRESENTATIONS, AGREEMENTS AND ACKNOWLEDGMENTS SPECIFIED IN THE CONDITIONS OF THE CERTIFICATES, INCLUDING A REPRESENTATION THAT IT IS NOT, NOR IS IT ACTING FOR THE ACCOUNT OR BENEFIT OF, A PERSON WHO IS (I) A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), (II) A U.S. PERSON (AS DEFINED IN THE CREDIT RISK RETENTION REGULATIONS ISSUED UNDER SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934) OR (III) NOT A NON-UNITED STATES PERSON (AS DEFINED IN RULE 4.7 UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, BUT EXCLUDING FOR PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION TO THE EXTENT THAT IT WOULD APPLY TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS). IF SUCH AN INVESTOR IS PURCHASING THE CERTIFICATES ON THEIR ISSUE DATE, SUCH AN INVESTOR MAY ALSO BE REQUIRED TO PROVIDE THE DEALER WITH A LETTER CONTAINING REPRESENTATIONS SUBSTANTIALLY IN THE SAME FORM AS THE DEEMED REPRESENTATION SPECIFIED ABOVE.

REGARD SHOULD BE HAD TO APPENDIX A OF THIS PROSPECTUS WHICH SETS OUT CERTAIN INFORMATION REGARDING THE BOOK-ENTRY NATURE OF THE CERTIFICATES AND ALSO SETS OUT THE TRANSFER RESTRICTIONS APPLICABLE TO THE CERTIFICATES.

IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS OR ANY OTHER DOCUMENT PRODUCED IN CONNECTION WITH THE CERTIFICATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE COMPANY IS NOT, AND WILL NOT BE, AUTHORISED OR LICENSED BY THE CENTRAL BANK OF IRELAND BY VIRTUE OF THE ISSUE OF THE CERTIFICATES. ANY INVESTMENT IN THE CERTIFICATES DOES NOT HAVE THE STATUS OF A BANK DEPOSIT AND IS NOT SUBJECT TO THE DEPOSIT PROTECTION SCHEME OPERATED BY THE CENTRAL BANK OF IRELAND.

### **Board of Directors**

BY PURCHASING THE CERTIFICATES, THE CERTIFICATEHOLDERS THEREBY RATIFY THE SELECTION OF EACH MEMBER OF THE BOARD OF DIRECTORS OF THE COMPANY, AS IDENTIFIED IN THIS PROSPECTUS, AND CONFIRM THAT SUCH RATIFICATION IS BEING MADE WITHOUT SELECTION OR CONTROL BY JPMORGAN CHASE & CO. OR ANY OF ITS SUBSIDIARIES.

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## SUMMARY

<b>A. INTRODUCTION AND WARNINGS</b>	
<b>A.1.1</b>	<i>Name and international securities identifier number (ISIN) of the certificates</i>
Defensive Certificate 5.00% Italian Financials Equity Linked Coupon - Target 100% Protection due 2028 (the “ <b>Certificates</b> ”). ISIN Code: XS2797412777.	
<b>A.1.2</b>	<i>Identity and contact details of the issuer, including its legal entity identifier (LEI)</i>
Defensive Certificates PLC (the “ <b>Company</b> ”) is a public company limited by shares duly incorporated in Ireland. The Company’s registered office is situated at Block A, George’s Quay Plaza, George’s Quay, Dublin 2, Ireland and the telephone number of the Company is +353 1 9631030. The Company’s Legal Entity Identifier is 213800Q95DBAH8J68917.	
<b>A.1.3</b>	<i>Identity and contact details of the competent authority approving the Prospectus</i>
The Prospectus has been approved by the Central Bank of Ireland as competent authority, with its head office at New Wapping Street, North Wall Quay, Dublin 1 and telephone number: +353 1 224 6000, in accordance with Regulation (EU) 2017/1129 (the “ <b>Prospectus Regulation</b> ”).	
<b>A.1.4</b>	<i>Date of approval of the Prospectus</i>
The Prospectus was approved on 15 April 2024.	
<b>A.1.5</b>	<i>Warning</i>
<p>You are about to purchase a product that is not simple and may be difficult to understand. The Certificates are equity-linked in that (i) the interest amounts payable in respect of each Certificate will be linked to the performance of the worst performing Reference Share amongst a basket of Reference Shares and (ii) the redemption amount payable on the maturity date of the Certificates, or any early redemption amount payable by the Company upon an early redemption of the Certificates, will be linked to the net asset value of the Underlying Fund Shares. <b>Investors should therefore be prepared to be exposed to the risks related to the Reference Shares and Underlying Fund Shares. The payment of any interest amounts in respect of any interest accrual period is variable and not guaranteed, and in the worst case scenario, may be zero. If the value of the Underlying Fund Shares does not move in the anticipated direction, the Certificates may return less than the amount invested, and in a worst case scenario, investors may lose up to the entire value of their investment.</b></p> <p>This summary has been prepared in accordance with Article 7 of the Prospectus Regulation and should be read as an introduction to the prospectus (the “<b>Prospectus</b>”). Any decision to invest in the Certificates should be based on a consideration of the Prospectus as a whole by the investor. Any investor could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Certificates.</p>	
<b>A.1.6</b>	<i>Transaction Parties</i>
<p>Principal Paying Agent and Custodian: The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom</p> <p>Paying Agent: The Bank of New York Mellon SA/NV, Dublin Branch, Riverside Two, Sir John Rodgerson’s Quay, Grand Canal Dock, Dublin 2, Ireland</p> <p>Calculation Agent and Broker: J.P. Morgan Securities plc of 25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom</p> <p>Trustee: U.S. Bank National Association of 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom</p> <p>Arranger, Dealer and Counterparty: J.P. Morgan SE of TaunusTurm, Taunustor 1, 60310 Frankfurt am Main, Germany.</p>	
<b>B. KEY INFORMATION ON THE ISSUER</b>	
<b>B.1</b>	<i>Who is the issuer of the certificates?</i>
<b>B.1.1</b>	<i>Domicile, legal form, LEI, jurisdiction of incorporation and country of operation</i>

The Company was incorporated in Ireland as a public limited company on 5 January 2024 with registered number 755154 under the name FAM Certificates PLC, under the Companies Act 2014 and subsequently changed its name to Defensive Certificates PLC pursuant to a special resolution dated 25 January 2024. The Company's Legal Entity Identifier is 213800Q95DBAH8J68917.	
<b>B.1.2</b>	<i>Principal activities</i>
The Company has been established as a special purpose vehicle for the purpose of issuing asset backed certificates, notes and other obligations.	
<b>B.1.3</b>	<i>Major Shareholders</i>
The authorised share capital of the Company is EUR 1,000,000 divided into 1,000,000 ordinary shares of EUR 1 each (each an " <b>Ordinary Share</b> "). The Company has issued 25,000 Ordinary Shares and EUR 0.25 in respect of each of these Ordinary Shares has been paid. All of the issued Ordinary Shares are held directly or indirectly by Vistra Trust Services (Ireland) Limited (the " <b>Share Trustee</b> ") under the terms of a declaration of trust under which the Share Trustee holds the issued Ordinary Shares of the Company on trust for charity.	
<b>B.1.4</b>	<i>Key managing directors</i>
Eimir McGrath and Stephen McCormack	
<b>B.1.5</b>	<i>Identity of the statutory auditors</i>
It is expected that the auditors of the Company will be appointed before the financial year ended 31 December 2024.	
<b>B.2</b>	<b><i>What is the key financial information regarding the Issuer?</i></b>
The Company has not commenced operations and financial statements are not yet available. As at the date of this summary, the Issuer has not published audited financial statements.	
<b>B.3</b>	<b><i>What are the key risks that are specific to the Issuer?</i></b>
The Company is a special purpose vehicle with no assets other than its paid-up share capital, and the assets on which the Certificates are secured.	
<b>C. KEY INFORMATION ON THE CERTIFICATES</b>	
<b>C.1</b>	<b><i>What are the main features of the Certificates?</i></b>
<b>C.1.1</b>	<i>Type, class and ISIN</i>
The Certificates are equity-linked securities. The Certificates are in registered form intended to be cleared through Euroclear and Clearstream, Luxembourg and will initially be represented by a Global Certificate. The ISIN Code of the Certificates is XS2797412777.	
<b>C.1.2</b>	<i>Currency, denomination, par value, number of certificates issued and duration</i>
The Certificates are denominated in euro (" <b>EUR</b> "). The specified denomination of the Certificates is EUR 1,000. The aggregate principal amount of the Certificates is up to EUR 100,000,000 and the issue price per Certificate is 100 per cent. of par, being EUR 1,000 per Certificate. The Certificates issue on 27 May 2024 and are scheduled to mature on 7 July 2028 (the " <b>Scheduled Maturity Date</b> "). The Certificates may redeem earlier if an early redemption event occurs.	
<b>C.1.3</b>	<i>Rights attached to the Certificates</i>
<u>Overview:</u> The Certificates are equity-linked in that (i) the interest amounts payable in respect of each Certificate will be linked to the performance of the Worst Performing Reference Share (as defined below) amongst a basket of Reference Shares (as defined below) and (ii) the redemption amount payable on the Scheduled Maturity Date of the Certificates, or any Early Redemption Amount (as described below) payable by the Company, will be linked to the net asset value of up to EUR 100,000,000 of Class A Shares in Smart Global Defence Zero Coupon Fineco AM Fund, a sub-fund of FAM SERIES UCITS ICAV (the " <b>Fund</b> ") due 30 June 2028 held by the Company (the " <b>Underlying Fund Shares</b> "). The return on the Certificates is, therefore, linked to the performance of both the Worst Performing Reference Share and the Underlying Fund Shares. The Company has entered into (i) a swap transaction with the Counterparty, pursuant to which the Counterparty will pay to the Company amounts equal to the interest payments payable under the Certificates (which the Company will use to fund the interest amounts payable under the Certificates) in exchange for an initial payment made by the Company to the Counterparty on the Issue Date (the " <b>Swap Agreement</b> ") and (ii) a credit support annex, pursuant to which credit support will be provided by the Counterparty to the Company in respect of the Counterparty's obligations under the swap agreement (the " <b>Credit Support Annex</b> "). The Credit Support Annex will form part of the Swap Agreement.	

**Security and Ranking:** The Certificates are secured obligations of the Company and rank *pari passu* without any preference among themselves. The Certificates represent limited recourse obligations of the Company. The Company grants the security outlined below (the “**Security**”) to the Trustee in order to secure the Secured Liabilities owed to the Secured Parties, including its obligations under the Certificates. Following the enforcement of the security, the claims of Certificateholders will be allocated to amounts received or recovered in respect of the Mortgaged Property on a *pari passu* and *pro rata* basis, following the satisfaction of the higher-ranking claims of the other Secured Parties in accordance with the priority of claims (as described below).

The Security primarily comprises: (i) certain English law charges and assignments in favour of the Trustee over the rights of the Company to the Underlying Fund Shares together with any assets and/or property derived therefrom and any collateral posted by the Counterparty to the Company under the Credit Support Annex; and (ii) certain Irish law security interests in favour of the Trustee over the rights of the Company to the Underlying Fund Shares. The Company also grants English law assignments to the Trustee over certain of its rights under the Agency Agreement and the Custody Agreement. In addition, the Company also grants an English law assignment to the Trustee of its rights under the Swap Agreement. Such assets, property, income and rights charged and/or assigned in favour of the Trustee is referred to as the “**Mortgaged Property**”.

Where: “**Agency Agreement**” means the agency agreement entered into in relation to the Certificates between, amongst others, the Company, the Trustee and the Principal Paying Agent; “**Custody Agreement**” means the custody agreement entered into in relation to the Certificates between the Company, the Trustee and the Custodian; “**Issue Date**” means 27 May 2024; “**Secured Liabilities**” means, in respect of the Certificates, the obligations of the Company under (i) the Certificates, (ii) the Trust Deed to the Trustee in respect of the Certificates including any expenses, costs, claims or liabilities properly incurred by the Trustee in the performance of its duties, (iii) the Custody Agreement for the payment of all claims of the Custodian for reimbursement of payments properly made to any party in respect of sums receivable on the Underlying Fund Shares and in respect of any expenses, costs, claims or liabilities properly incurred by the Custodian in the performance of its duties under the custody agreement, (iv) the Agency Agreement for the payment of all claims of the Principal Paying Agent for reimbursement in respect of payments of principal and interest properly made to holders of Certificates and in respect of any expenses, costs, claims or liabilities properly incurred by the Principal Paying Agent in the performance of its duties under the Agency Agreement and (v) the Swap Agreement; “**Secured Parties**” means the persons to whom Secured Liabilities are owed; and “**Trust Deed**” means the principal trust deed made between, amongst others, the Company and the Trustee, as supplemented by the issue deed in respect of the Certificates dated on or about the Issue Date.

**Priority of Claims:** If the Certificates redeem early, or if there is a default at maturity (whether in respect of the Underlying Fund Shares by the Company or otherwise), or if there is an enforcement of the Security, then the proceeds of the Mortgaged Property will be applied in accordance with a specified order of priorities. In such order of priorities, the claims of other creditors of the Company in respect of the Certificates will be met before the claims of the Certificateholders. Amounts paid in priority to the Certificateholders include, among other things, (i) payments due to the Trustee, (ii) payments due to the Counterparty under the Swap Agreement and (iii) any payments due to the Custodian and/or the Principal Paying Agent. The Mortgaged Property is the only property the Company has from which to meet the claims in respect of the Certificates. As a result of other claims having priority to those of the Certificateholders, this means there may not be enough cash for the Company to meet its obligations to Certificateholders (whether in full or at all).

**Redemption Amount:** The Certificates, unless previously redeemed or cancelled, will be redeemed on the Scheduled Maturity Date and the “**Redemption Amount**” payable in respect of each Certificate will be an amount in EUR determined by the Calculation Agent equal to (subject, for the avoidance of doubt, to the limited recourse provisions described below) (i) EUR 1,000 (being 100 per cent. of such Certificate’s principal amount); plus (ii) subject to a minimum of zero, such Certificate’s *pro rata* share of the aggregate redemption amount comprised of cash in respect of the Underlying Fund Shares payable on their scheduled maturity date minus the aggregate principal amount of the Certificates.

**Early Redemption Amount:** The “**Early Redemption Amount**” payable to Certificateholders if the Certificates are redeemed prior to their stated maturity will generally be an amount equal to their share of (i) the lower of (a) the aggregate principal amount of the Certificates and (b) the proceeds of the redemption or sale of the Underlying Fund Shares plus (ii) any termination payment payable by the Counterparty to the Company in respect of the Swap Agreement (if any), minus (iii) any termination payment payable by the Company to the Counterparty in respect of the Swap Agreement (if any), plus (iv) an amount, subject to a minimum of zero, equal to such proceeds of the redemption or sale of the Underlying Fund Shares minus the aggregate principal amount of the Certificates and minus (v) any payments owed by the Company to any other Secured Parties which rank in priority to the claims of Certificateholders.

**Interest:** The Certificates bear interest from (and including) the Interest Commencement Date to (but excluding) the Scheduled Maturity Date at a rate of interest for each annual interest accrual period determined by the Calculation Agent to be equal to: (a) if

on the Valuation Date immediately preceding an annual interest payment date the Reference Share Worst Performance is greater than or equal to the Barrier Level, 5.00 per cent. per annum; or (b) otherwise, 0.00 per cent. per annum.

Where: "**Barrier Level**" means (i) in respect of the Valuation Date falling on 2 December 2024 and the Valuation Dates falling in 2025 and 2026, 80 per cent., or (ii) in respect of the Valuation Dates falling in 2027 and 2028, 100 per cent.; "**Closing Reference Share Price**" means, on any day and in respect of any Reference Share, the official closing price of such Reference Share on the relevant exchange or quotation system as of the scheduled closing time on the relevant day, or if there is no official closing price, the mid-market price per such Reference Share on the relevant exchange or quotation system at the closing time on such day, all as determined by the Calculation Agent; "**Initial Reference Share Level**" means, in respect of any Reference Share, the initial price of such Reference Share on the Initial Valuation Date as determined by the Calculation Agent; "**Initial Valuation Date**" means 27 May 2024; "**Interest Commencement Date**" means 7 July 2024; "**Reference Share**" means each of the following shares: (i) Intesa Sanpaolo S.p.A.; (ii) BPER Banca S.p.A.; and (iii) Banco BPM S.p.A.; "**Reference Share Level**" means, in respect of any Reference Share and a Valuation Date, the Closing Reference Share Price of such Reference Share on such Valuation Date; "**Reference Share Worst Performance**" means the value determined by the Calculation Agent in accordance with the following formula:  $\frac{[Worst_0]}{[Worst_1]}$ ;

"**Valuation Date**" means (i) 2 December 2024 and (ii) 30 June in each year from, and including, 2025 to, and including, 2028 and with a final Valuation Date on 30 June 2028; "**Worst<sub>0</sub>**" means the Reference Share Level in respect of the Worst Performing Reference Share; "**Worst<sub>1</sub>**" means the Initial Reference Share Level in respect of the Worst Performing Reference Share; "**Worst Performing Reference Share**" means, in respect of any Valuation Date, the worst performing Reference Share.

**Events of Default and Early Redemption Events:** The Certificates may redeem prior to the Scheduled Maturity Date due to certain events, including: (i) for certain taxation reasons, including the imposition of certain additional taxes affecting the Company, the Underlying Fund Shares or payments made by the Company and failure by the Certificateholders to provide certain information for tax purposes; (ii) the termination of the Swap Agreement; (iii) the occurrence of an event of default with respect to the Certificates, which includes (a) a default by the Company in the payment of any amount, if unremedied for at least five business days; (b) a failure by the Company to perform or observe any of its other obligations for at least 30 days; (c) certain bankruptcy events in respect of the Company; or (d) a notification by Company, the Counterparty or any of the Certificateholders to the Trustee that (x) the Custodian or the Principal Paying Agent failed to comply with their payment or delivery obligations; or (y) certain information exists that the obligor of the Underlying Fund Shares has defaulted on its obligations thereunder or becomes insolvent; (iv) the determination by the Calculation Agent that the market value of the Certificates is less than, or equal to, 30 per cent. of the aggregate principal amount of the Certificates; (v) the occurrence of certain events in respect of the Fund, including: (a) insolvency in respect of the Fund, its management company or any of its service providers, (b) a merger or other consolidation in respect of the Fund, (c) a termination of the Fund, (d) nationalisation of the Fund, (e) any litigation involving the Fund, (f) events which affect the calculation of the net asset value and performance of the Fund, or (g) events which affect the trading of the Fund, any operational failures, or other legal and regulatory constraints; (vi) the occurrence of certain extraordinary events with respect to any Reference Share, including: (a) a merger or tender offer in respect of a Reference Share, (b) a nationalisation of any of the Reference Shares or assets of any of the Reference Share issuers, (c) an insolvency filing or other similar proceedings affecting any of the Reference Share issuers which impact on the transferability of the Reference Shares or (d) a delisting of the relevant Reference Shares on an exchange; or (vii) as a result of the occurrence of certain additional disruption event with respect to any Reference Share, including: (a) a change in any applicable law, or a change in the interpretation of any applicable law, pursuant to which it has (or, it will, within the next 15 days prior to the maturity of the Certificates) become unlawful or illegal to hold, acquire or dispose of any of the Reference Shares or (b) any issuer of the Reference Shares becomes subject to insolvency or similar proceedings.

**Limited Recourse:** The Certificateholders and the other transaction parties, including the Counterparty, will have recourse to the Mortgaged Property for the Certificates. The Mortgaged Property includes the Underlying Fund Shares and the Company's rights under the Swap Agreement. The Certificateholders and the other transaction parties will have recourse *only* to the Mortgaged Property in respect of the Certificates and not to any other assets of the Company. Certificateholders' claims (and those of other transaction parties) will be limited to the Mortgaged Property and subject to the order of priority referred to above. If the Mortgaged Property is not sufficient to meet Certificateholders' claims and those of all the other relevant parties, the Mortgaged Property will be used to meet claims according to the specified order of priority. Amounts owing to the Counterparty under the Swap Agreement, and certain other sums payable to certain transaction parties, will be paid before Certificateholders. If there is no Mortgaged Property left after paying them, Certificateholders will not be paid.

**Withholding Tax:** Payments of principal and interest in respect of the Certificates will be made subject to withholding tax (if any) applicable to the Certificates without the Company being obliged to pay further amounts as a consequence.

**Governing Law:** The Certificates will be governed by English law.

<b>C.1.4</b>	<i>Rank of the Certificates in the Issuer's capital structure upon insolvency</i>
The Certificates are secured, limited recourse obligations of the Company and rank equally amongst themselves without any preference among themselves.	
<b>C.1.5</b>	<i>Restrictions on free transferability of the certificates</i>
Interests in Certificates traded in any clearing system will be transferred in accordance with the procedures and regulations of that clearing system. The Certificates will be freely transferable, subject to restrictions on sale of the Certificates into certain jurisdictions. Investors should note that the Certificates have not been, nor will be, registered under the United States Securities Act of 1933, as amended (the " <b>Securities Act</b> ") or with any securities regulatory authority of any state or other jurisdiction of the United States of America. No person has registered nor will register as a commodity pool operator of the Company under the U.S. Commodity Exchange Act of 1936, as amended (the " <b>CEA</b> ") and the rules of the Commodity Futures Trading Commission thereunder (the " <b>CFTC Rules</b> "), and the Company has not been nor will be registered under the U.S. Investment Company Act of 1940, as amended. Any offer or sale of the Certificates must be made in an offshore transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder (" <b>Regulation S</b> "). The Certificates may not at any time be offered, sold, pledged, delivered or otherwise transferred except to a person that (A) is not a U.S. Person (as defined in Regulation S under the Securities Act), (B) is not a U.S. Person (as defined in the Credit Risk Retention Regulations issued under section 15G of the U.S. Securities Exchange Act of 1934) and (C) is a Non-United States Person (as defined in Rule 4.7 of CEA (excluding for the purposes of sub-section (D) thereof, the exception to the extent it would apply to persons who are not non-United States persons)), in an offshore transaction and in each case in accordance with Rule 903 or Rule 904 of Regulation S, and in accordance with any other applicable securities laws.	
<b>C.2</b>	<i>Where will the Certificates be traded?</i>
The Company will make reasonable efforts to arrange for the Certificates to be listed on the SeDex market of Borsa Italiana (the " <b>SeDex Market</b> ") and admitted to trading on the SeDex Market, within 2 days of the Issue Date.	
<b>C.3</b>	<i>What are the key risks that are specific to the Certificates?</i>
<ul style="list-style-type: none"> <li>• <b>Early Redemption of Certificates:</b> The Certificates may redeem prior to their maturity date due to certain events as set forth in their terms and conditions (see the subsection of this summary entitled "<i>Events of Default and Early Redemption Events</i>" above). If the Certificates are redeemed prior to their stated maturity date, Certificateholders will be entitled to receive the Early Redemption Amount, subject to the limited recourse provisions.</li> <li>• <b>Limited recourse:</b> Certificateholders and other transaction parties will have recourse only to the Mortgaged Property in respect of the Certificates and not to any other assets of the Company. If, following realisation in full of the Mortgaged Property relating to the Certificates, any outstanding claim remains unpaid, then such claim will be extinguished and no debt will be owed by the Company in respect thereof.</li> <li>• <b>Investors in Certificates may receive back less than the original invested amount.</b> The redemption amount payable in respect of each Certificate is expressed to be an amount in EUR determined by the Calculation Agent equal to (i) EUR 1,000 (being 100 per cent. of such Certificate's principal amount) plus (ii) such Certificate's <i>pro rata</i> share of the aggregate redemption amount comprised of cash in respect of the Underlying Fund Shares payable on their scheduled maturity date minus the aggregate principal amount of the Certificates. If the value of the Underlying Fund Shares is less than the initial purchase price of the Certificates at maturity, although the final redemption amount in such circumstances is expressed to be an amount equal to the principal amount of each Certificate, Certificateholders' claims in respect of such amount will be subject to the limited recourse provisions in respect of the Certificates. This means that Certificateholders will have recourse only to the Mortgaged Property in respect of the payment of the final redemption amount under the Certificates, which will be an amount that is less than the principal amount of the Certificates, and not to any other assets of the Company and therefore investors may lose some or all of their investment. <b>Investors should therefore be prepared to be exposed to the risks related to the Underlying Fund Shares. If the value of the Underlying Fund Shares does not move in the anticipated direction, the Certificates may return less than the amount invested, and in a worst case scenario, investors may lose up to the entire value of their investment.</b> In addition, investors are exposed to the credit risk of the Fund and the credit risk of the Counterparty in respect of the Swap Agreement (as well as to the credit risk of the Custodian and the Principal Paying Agent) and may lose up to the entire value of their investment if any of the Fund, Counterparty, Custodian and/or Principal Paying Agent goes bankrupt or is otherwise unable to meet its payment or delivery obligations.</li> <li>• <b>Payment of interest amounts is conditional on the performance of the Worst Performing Reference Share:</b> The payment of interest amounts by the Company in respect of any interest accrual period is conditional on the performance of</li> </ul>	

the Worst Performing Reference Share. If the value of the Worst Performing Reference Share, determined by dividing the closing price of such Reference Share on the relevant Valuation Date by the initial price of such Reference Share on the Initial Valuation Date, is less than the Barrier Level, investors will not receive any interest payment in respect of such interest accrual period. Investors should note that there may be a risk that if the issuer of a Reference Share becomes insolvent, the value of the Worst Performing Reference Share may become zero and, as a result thereof, no interest amounts will be paid under the Certificates to Certificateholders. **Therefore, the payment of any interest amounts in respect of any Interest Accrual Period is, therefore, variable and not guaranteed, and in the worst case scenario, may be zero.**

- **The interest pay-outs and value of the Certificates are linked to the Worst Performing Reference Share:** The performance of the Reference Shares can be unpredictable, influenced by a wide range of factors including interest and price levels on the capital markets, currency developments and political factors, and company-specific factors. The past performance of a Reference Share is not indicative of future performance. While the return on the Certificates is linked to the performance of the Worst Performing Reference Share, any change may not be comparable or proportionate to the change in value of such Reference Shares.
- **Limited Liquidity and Restrictions on Transfer of the Certificates:** Certificates may have no liquidity or the market for the Certificates may be limited and this may adversely impact their value or the ability of an investor in Certificates to dispose of them.
- **Market Value of Certificates:** The market value of the Certificates may be highly volatile and may be adversely affected by a number of factors, such as (i) the value and volatility of the Underlying Fund Shares and the creditworthiness of the Fund, (ii) the value and volatility of the Reference Shares to which interest payments under the Certificates are linked, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the maturity date and (v) the nature and liquidity of the Swap Agreement.
- **Risks relating to the Underlying Fund Shares:** The Company's ability to pay amounts due on the Certificates is linked to the performance of the Underlying Fund Shares, which can be influenced by a wide range of factors including credit, liquidity and interest rate risks. The liquidity of the Underlying Fund Shares may be limited, and in times of financial distress, the Underlying Fund Shares may either not be saleable at all or may only be saleable at significant discounts to the amount originally invested. In particular, where the Certificates are to be redeemed early as a result of a redemption being triggered prior to the Scheduled Maturity Date or if a default has occurred with respect to the Underlying Fund Shares, there is no guarantee that the liquidation proceeds from the sale or redemption of the Underlying Fund Shares will be sufficient to repay the principal and interest due on the Certificates.
- **Risks relating to the Swap Agreement and the Counterparty:** Under the terms of the Swap Agreement, both the Company and the Counterparty have the right to terminate the swap transaction in its entirety under certain conditions, including the occurrence of an event of default by either party, illegality, tax-related issues or regulatory events. Any such termination of the Swap Agreement will generally result in a corresponding redemption in whole of the Certificates. Upon any such redemption, the amount paid to Certificateholders to redeem such Certificates may be significantly less than the Certificateholder's original investment in such Certificates and may be zero. In addition, Certificateholders are relying on the creditworthiness of the Counterparty in respect of the performance of its obligations to make payments pursuant to the Swap Agreement for such Certificates. Default by the Counterparty may result in termination of the Swap Agreement and, in such circumstances, any amount due to the Company upon such termination may not be paid in full.
- **The Calculation Agent has discretionary authority to make adjustments to the terms of the Certificates without Certificateholder consent:** The Calculation Agent has discretionary authority to make adjustments to the terms of the Certificates without Certificateholder consent in response to certain disruption events affecting the Reference Shares, which may have an adverse effect on the value of and return on the Certificates.

#### D. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC

**D.1** Under which conditions and timetable can I invest in this certificate?

Offer of the Certificates are conditional upon their issue. The offer period in respect of the Certificates is the period from, and including, 18 April 2024 to, and including, 20 May 2024.

**Description of the application process:** Persons interested in purchasing Certificates should contact their financial adviser. If an investor in any jurisdiction other than the Italian Republic wishes to purchase Certificates, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted; and (b) contact its financial adviser, bank or financial intermediary for more information.



The Certificates may be distributed by the Distributor through door-to-door selling by means of tied agents, being financial advisors authorised to make off-premises offers (*consulenti finanziari abilitati all'offerta fuori sede*) pursuant to Articles 30 and 31 of the Legislative Decree 24 February 1998, No. 58, as amended and supplemented (the "**Italian Financial Services Act**") from (and including) 18 April 2024 to (and including) 20 May 2024 subject to any early closing of the offer period or cancellation of the offer of the Certificates. The Distributor is intending to distribute the Certificates through door-to-door selling (*fuori sede*) pursuant to Article 30 of the Italian Financial Services Act and will collect the acceptance forms through the tied agents (*consulenti finanziari abilitati all'offerta fuori sede*) pursuant to Article 31 of the Italian Financial Services Act. Pursuant to Article 30, paragraph 6, of the Italian Financial Services Act, the validity and enforceability of contracts entered into through door-to-door selling is suspended for a period of 7 days beginning on the date of subscription by the relevant investor. Within such period investors may notify the Distributor and/or financial advisor of their withdrawal without payment of any charge or commission.

The Certificates may also be distributed by the Distributor through distance selling techniques pursuant to Article 32 of the Italian Financial Services Act and Article 67-duodecies, Par. 4 of the Italian Legislative Decree 6 September 2005, No. 206 (the "**Consumer Code**"). In respect of subscription of the Certificates made by means of distance selling techniques, an investor that can be qualified as a consumer for the purposes of the Consumer Code is entitled to a 14-day period in which it can withdraw from the agreement without penalty and without giving any reason. Within such terms, the effects of the subscription agreements will be suspended and the investor can withdraw by means of a notice to the Distributor without any expenses or other fees.

**Description of the manner and date on which results of the offer are to be made public:** The Company will arrange for the results of the offer to be published on the website of <https://www.defensivecertificatesplc.com> on or around the Issue Date.

**Plan of distribution:** The Certificates are being offered to retail investors in the Italian Republic.

**Pricing:** The Certificates will be offered at the issue price of 100% of par, being an amount equal to EUR 1,000 per Certificate.

<b>D.2</b>	<i>Who is the offeror and/or the person asking for admission to trading?</i>
<b>D.2.1</b>	Name and address of the co-ordinator of the offer: FinecoBank S.p.A. a joint-stock company ( <i>società per azioni</i> ) duly incorporated under the laws of the Italian Republic and having its registered office at Piazza Durante 11, Milan 20131, Italy (LEI: 549300L7YCATGO57ZE10) (the " <b>Distributor</b> ") To the knowledge of the Company, the Distributor is the sole placer in respect of the Certificates.
<b>D.3</b>	<i>Why has the prospectus been produced?</i>
<b>D.3.1</b>	<i>Reason for the offer and use of proceeds</i>

The Certificates are designed to provide investors with exposure to the performance of the Reference Shares and the Fund without having a direct ownership interest in the Reference Shares and/or the Underlying Fund Shares.

The net issue proceeds of the Certificates will be EUR 1,000 which will be used by the Company in acquiring the Underlying Fund Shares and making an initial payment to the Counterparty under the Swap Agreement.

The Distributor has agreed to acquire the Certificates from the Dealer with a view to on-selling the Certificates as an independent distributor.

<b>D.2.2</b>	<i>Material conflicts of interest pertaining to the offer or admission to trading</i>
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J.P. Morgan SE, J.P. Morgan Securities plc and any of their affiliates are acting or may act in a number of capacities in connection with the issue of the Certificates and may be subject to certain conflicts of interest. They may enter into business dealings, including the acquisition of the Certificates, from which they may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor. In addition, they may from time to time be in possession of certain information (confidential or otherwise) and/or opinions with regard to (i) the Fund or (ii) any Reference Share which information and/or opinions might, if known by a Certificateholder, affect decisions made by it with respect to its investment in the Certificates. Notwithstanding this, none of the above entities have any duty or obligation to notify any person of such information and/or opinions. J.P. Morgan SE, J.P. Morgan Securities plc and any of their affiliates may deal in any Reference Share or the Underlying Fund Shares and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the obligors of the Reference Shares or the Fund and may act with respect to such transactions in the same manner as if the relevant Swap Agreement and the Certificates did not exist. Potential conflicts of interest may also arise between Certificateholders and J.P. Morgan SE, in its role as Counterparty, who will act in its own interest without any fiduciary duty to Certificateholders when exercising discretion or making decisions under the Swap Agreement.

## RISK FACTORS

*An investment in the Certificates involves substantial risks. The Company believes that the following factors may affect its ability to fulfil its obligations in respect of the Certificates and/or are material for the purpose of assessing the market risks associated with the Certificates. All of these factors are contingencies which may or may not occur and the Company expresses no view on the likelihood of any such contingency occurring. The factors discussed below regarding the risks of acquiring or holding any Certificates are not exhaustive, and additional risks and uncertainties that are not presently known to the Company or that the Company currently believes to be immaterial could also have a material impact on the Company or the Certificates.*

*Investors should also read the detailed information concerning the Company and the Certificates set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*In particular, prospective investors should be aware that repayment of any amount invested in the Certificates and any return on the Certificates is not guaranteed. **As a result, the investors' return in respect of the Certificates may fall below the amount originally invested in the Certificates and, in a worst case scenario, the investors may lose up to the entire value of their investment.***

*For purposes of these risk factors, references to "Certificateholders" or "holders" of Certificates should generally be read as including holders of beneficial interests in the Certificates, except where the context otherwise requires.*

### 1 Risks Relating to the Company and the Legal Structure

#### (a) Special purpose vehicle

The Company is incorporated as a special purpose vehicle. The sole business of the Company is the raising of money by issuing Certificates for the purposes of purchasing assets and entering into related derivatives and other contracts. The assets so purchased and the contracts entered into, including the Swap Agreement, are designed to ensure that the Company has sufficient assets to meet the obligations under the Certificates and the related contracts. Should the assets and the contracts (including the Swap Agreement) of the Company prove insufficient, there are no other assets available to satisfy the claims of Certificateholders.

#### (b) Insolvency

The Company is prohibited under the Trust Deed from engaging in activities other than the issue of the Certificates and related and incidental matters. In particular, the issue of the Certificates is on terms that provide for the claims in respect of the Certificates to be limited to the proceeds of the assets on which the Certificates are secured. See "*Limited recourse, non-petition and related risks*" below.

However, notwithstanding these restrictions and any limited recourse provisions, should the Company have outstanding liabilities to third parties which it is unable to discharge and as a result the Company becomes or is declared insolvent according to the law of any country having jurisdiction over it or any of its assets, the insolvency laws of that country may determine the validity of the claims of Certificateholders and may prevent Certificateholders from enforcing their rights or delay such enforcement. In particular, depending on the jurisdiction concerned and the nature of the assets and security, the security created in favour of the Certificateholders may be set aside or rank behind certain other creditors and the assets subject to such security may be transferred to another person free of such security.

In addition, certain jurisdictions have procedures designed to facilitate the survival of companies in financial difficulties. In such jurisdictions the rights of Certificateholders to enforce their security may be limited or delayed by such procedures.

Certificateholders are advised to consult their own legal advisers in relation to the insolvency laws applicable to the Company.

(c) **Preferred creditors under Irish law and floating charges**

If the Company becomes subject to an insolvency proceeding and the Company has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Certificateholders and other secured parties, the Certificateholders (and other secured parties) may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular, under Irish law, upon an insolvency of an Irish company, such as the Company, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the relevant Irish courts. See "*Examinership*" below.

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Company) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company.

Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 calendar days of its creation or within 21 days of the date of transfer of the fixed charge (whichever is the later), the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

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

In relation to the disposal of assets of any Irish tax resident company (such as the Company) which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security. The impact of such a scenario on the Company could negatively impact the value of the Certificates.

The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Company any charge constituted by the Trust Deed may operate as a floating, rather than a fixed charge. The holder of a charge created as a floating charge which is purportedly crystallised into a fixed charge may be deemed to have waived the purported crystallisation event or, alternatively, be estopped from relying on the purported crystallisation where the person who created the charge retains liberty to deal with the assets which are the subject matter of the security following the purported crystallisation.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated

bank account and to prohibit the chargor from withdrawing or otherwise dealing with the moneys standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security purported to be created by the Trust Deed would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes, on winding-up or on the appointment of a receiver even if crystallised prior to the commencement of the winding-up or the appointment of the receiver;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge even if crystallised prior to the commencement of the winding-up; and
- (e) they rank after fixed charges.

If any fixed charged created pursuant to the relevant security documents are registered as floating charges instead of fixed charges, this could negatively impact on the value of the Certificates.

(d) **Centre of main interests**

Article 3(1) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast) (the "EU Insolvency Regulation") is in force in Ireland since 26 June 2017 and applies to "insolvency proceedings" opened after 26 June 2017. Article 3(1) of the EU Insolvency Regulation provides that the centre of main interests ("**COMI**") shall be "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties" and in the case of a company, such as the Company, the place of the registered office shall be presumed to be the COMI in the absence of proof to the contrary and provided that the registered office has not been moved from another Member State within the three month period prior to the request for the opening of "insolvency proceedings".

In the decision by the Court of Justice of the European Union ("**CJEU**") in relation to Eurofood IFSC Limited, the CJEU restated the presumption in Council Regulation (EC) No 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". This is consistent with Recital 30 to the EU Insolvency Regulation.

Recital 28 to the EU Insolvency Regulation further indicates that in assessing whether a company's centre of main interests is ascertainable to third parties for these purposes, "special consideration should be given to the creditors and to their perception as to where a debtor conducts the administration of its interests". As the Company has its registered office in Ireland, has not moved its registered office from another Member State to Ireland within the three month period prior to a request for the opening of "insolvency proceedings", has an Irish corporate services provider, has Irish directors and is registered for tax in Ireland, the Company does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision.

Accordingly, pursuant to Article 3 of the EU Insolvency Regulation and as the Company is an Irish incorporated company and has its registered office in Ireland there is a rebuttable presumption that the Company's COMI is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law.

After 31 December 2020, the provisions of the Recast EU Insolvency Regulation relating to Member States have ceased to apply to the United Kingdom. The United Kingdom has retained the jurisdictional test based on COMI. The UK COMI test is identical under the Insolvency Regulation however as the UK is no longer a Member State, there is no restriction on the UK opening parallel proceedings should the UK courts determine that the COMI of the Company is in the UK. It should be noted that there are various undertakings in the Transaction Documents to ensure that the COMI of the Company is in Ireland.

If the Company's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, Certificateholders should be aware that main insolvency proceedings may not be opened in Ireland, which may impact the realisation of the Company's assets on insolvency and, consequently, the proceeds available to satisfy the claims of Certificateholders.

(e) **Examinership**

Examinership is a court procedure available under the Irish Companies Act 2014 (as amended) (the "**Companies Act**") to facilitate the survival of Irish companies (which would include the Company) in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act.

The Company, the directors of the Company, a contingent, prospective or actual creditor of the Company, or shareholders of the Company holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Company, are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the Company after this appointment and, in certain circumstances, can avoid a negative pledge given by the Company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised, the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection (which is for an initial period of 70 days and may be extended to 100 days and further extended to 150 days at the discretion of the court), the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the Company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the relevant Irish court when at least one class of creditors has voted in favour of the proposals and the relevant Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Company, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Certificateholders. The Trustee would also be entitled to argue at the relevant Irish court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Certificateholders, especially if such proposals included a writing down to the value of amounts due by the Company to the Certificateholders.

The fact that the Company is a special purpose vehicle and that all of its liabilities should be of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Company.

However, if, for any reason, an examiner were appointed while any amounts due by the Company under the Certificates were unpaid, the primary risks to the Certificateholders are as follows:

- (a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Company to the Certificateholders as secured by the Trust Deed;
- (b) the Trustee, acting for and on behalf of the secured parties, would not be able to enforce rights against the Company during the period of examinership;
- (c) the potential for the examiner to seek to set aside any negative pledge in the Certificates prohibiting the creation of security or the incurring of borrowings by the Company to enable the examiner to borrow to fund the Company during the protection period; and
- (d) if a scheme of arrangement is not approved and the Company subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Company and approved by the relevant Irish court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Company to each of the secured parties under the Certificates or under any other Secured Liabilities.

(f) **Anti-Tax Avoidance Directive**

The Anti-Tax Avoidance Directive ("**ATAD**") was adopted as Council Directive (EU) 2016/1164 on 12 July 2016 and had to be implemented by all European Union Member States by 1 January 2019. A second directive amending ATAD was adopted as Council Directive (EU) 2017/952 on 29 May 2017 ("**ATAD 2**" and, together with ATAD, the "**Directives**") and had to be implemented by all European Union Member States by 1 January 2020.

The Directives contain various measures that have been implemented into Irish law and could potentially result in certain payments made by the Company ceasing to be fully deductible. This could increase the Company's liability to tax, reduce the amounts available for payments on the Certificates.

There are two measures which are of particular relevance to the Company:

Firstly, ATAD provides for an "interest limitation rule" similar to the recommendation contained in BEPS Action 4 which restricts the deductible interest of an entity. Ireland has implemented the interest limitation rule to apply to companies with respect to their accounting periods commencing on or after 1 January 2022. The interest limitation rule provides that where an entity has exceeding borrowing costs of more than EUR 3,000,000 it may only deduct its exceeding borrowing costs up to an amount equal to 30 per cent. of its earnings before interest, tax, depreciation and amortisation in the year in which they are incurred but would remain available for carry forward, subject to certain conditions. For these purposes, "exceeding borrowing costs" means the amount by which an entity's borrowing costs exceed "interest revenues and other equivalent taxable revenues". If the Company does have exceeding borrowing costs in excess of EUR 3,000,000 the interest limitation rule may nonetheless permit the Company to deduct exceeding borrowing costs in an amount in excess of 30 per cent. (and potentially up to 100 per cent.) of its earnings before interest, tax, depreciation and amortisation, if certain conditions are satisfied. In particular, the Company should be able to deduct the full amount of its exceeding borrowing costs if it qualifies as a "single company worldwide group" (as defined in Section 835AY TCA) and does not owe any amount which gives rise to

deductible interest equivalent to an “associated enterprise”. One of the conditions required to qualify as a “single company worldwide group” is that the entity is not a member of a “worldwide group” (as defined in Section 835AY TCA) (i.e., it is not included in consolidated financial statements prepared under generally accepted accounting practice or an alternative body of accounting standards). As a result, the Company will not qualify as a “single company worldwide group” if it is financially consolidated by a Certificateholder or any other person. If the Company is not a “single company worldwide group”, the Company should be able to deduct the full amount of its exceeding borrowing costs if it is a member of a “worldwide group” and its ratio of equity to assets is greater than, equal to or within two percentage points of the same ratio of its “worldwide group”.

Secondly, ATAD 2 provides for hybrid mismatch rules. These rules have applied in Ireland since 1 January 2020 and are designed to neutralise arrangements where amounts are deductible from the income of one entity but are not taxable for another, or the same amounts are deductible for two entities. These rules could potentially apply to the Company where: (i) the interest that it pays under the Certificates, and claims deductions, from its taxable income for, is not brought into account as taxable income by the relevant Certificateholder, either because of the characterisation of the Certificates, or the payments made under them, or because of the nature of the Certificateholder itself; and (ii) the mismatch arises between associated enterprises, between the Company and an associated enterprise or under a ‘structured arrangement’. ‘Associated’ for these purposes includes direct and indirect participation in terms of voting rights or capital ownership of 25.0 per cent. or more or an entitlement to receive 25.0 per cent. or more (50.0 per cent. in certain circumstances) of the profits of that entity, as well as entities that are part of the same consolidated group for financial accounting purposes or enterprises that have a significant influence in the management of the taxpayer. A structured arrangement is an arrangement involving a transaction, or series of transactions, under which a mismatch outcome arises where: (a) the mismatch outcome is priced into the terms of the arrangement; or (b) the arrangement was designed to give rise to a mismatch outcome. If the Company’s ability to deduct interest in a tax year is restricted by Ireland’s anti-hybrid rules, the Company may have material tax liabilities in Ireland as a consequence of interest not being deductible in computing its profit for Irish corporation tax purposes.

The Directives may result in corporate income tax being effectively imposed and due on the Company to the extent that (i) the Company derives income other than interest income or income equivalent to interest from the Underlying Fund Shares or (ii) if any of the anti-hybrid rules under ATAD 2 apply, (for example, if the Certificates issued by the Company qualify for tax purposes as hybrid instruments). If the Directives result in certain payments made by the Company ceasing to be deductible for tax purposes, the Company may have a liability to Irish tax in respect of amounts which fund such payments. This will increase the Company’s liability to tax and cause an early redemption of the Certificates and reduce the Early Redemption Amount payable to Certificateholders.

(g) **Possibility of U.S. withholding tax on payments on the Underlying Fund Shares and the Certificates**

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a withholding tax is imposed on (i) certain U.S. source payments, and (ii) beginning on the date that is two years after the date of publication in the U.S. Federal Register of final regulations defining the term “foreign passthru payment”, payments made by “foreign financial institutions” that are treated as foreign passthru payments. This withholding tax is imposed on such payments made to persons that fail to meet certain certification, reporting, or related requirements. The Company may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application

of FATCA to instruments or agreements such as the Underlying Fund Shares and the Certificates, including whether withholding on foreign passthru payments would ever be required pursuant to FATCA or an IGA with respect to payments on instruments or agreements such as the Underlying Fund Shares and/or the Certificates, are uncertain and may be subject to change.

If the Company fails to comply with its obligations under FATCA (including any applicable IGA and any IGA legislation thereunder), it may be subject to FATCA Withholding on all, or a portion of, payments it receives with respect to the Underlying Fund Shares. Any such withholding would, in turn, result in the Company having insufficient funds from which to make payments that would otherwise have become due in respect of the Certificates. No other funds will be available to the Company to make up any such shortfall and, as a result, the Company may not have sufficient funds to satisfy its payment obligations to Certificateholders. Additionally, if payments to the Company in respect of the Underlying Fund Shares are, will become or are deemed on any test date to be subject to FATCA Withholding, the Certificates will be subject to early redemption. No assurance can be given that the Company can or will comply with its obligations under FATCA or that the Company will not be subject to FATCA Withholding.

The Company may be required to withhold amounts from Certificateholders (including intermediaries through which the Certificates are held) that are foreign financial institutions that are not compliant with, or exempt from, FATCA or Certificateholders that do not provide the information, documentation or certifications required for the Company to comply with its obligations under FATCA. If any Certificateholder or beneficial owner fails to provide any information so requested by the Company, the Company shall withhold amounts from payments due on the Certificates (including to intermediaries through which the Certificates are held) for the payment of such tax and all Certificates shall be the subject of an early redemption. Neither a Certificateholder nor a beneficial owner of Certificates will be entitled to any additional amounts if FATCA Withholding or any other withholding or deduction or charge in connection with an Information Reporting Regime is imposed on any payments on or with respect to the Certificates to make up the amount which would originally have been received by Certificateholders had such withholding or deduction or charge not been imposed. As a result, Certificateholders may receive less interest or principal, as applicable, than expected.

Each Certificateholder should consult its own tax adviser to obtain a more detailed explanation of FATCA and the other Information Reporting Regimes and to learn how FATCA and the other Information Reporting Regimes might affect such Certificateholder in light of its particular circumstances.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE COMPANY, THE CERTIFICATES AND CERTIFICATEHOLDERS IS SUBJECT TO CHANGE.

(h) **Information Reporting Obligations and Consequential Amendments**

Information relating to the Certificates, their holders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes (including, without limitation, in relation to FATCA). This may include (but is not limited to) information relating to the value of the Certificates, amounts paid or credited with respect to the Certificates, details of the holders or beneficial owners of the Certificates and information and documents in connection with transactions relating to the Certificates. In certain circumstances, the information obtained by a tax authority may be provided to tax authorities in other countries. Some jurisdictions operate a withholding system in place of, or in addition to, such provision of information requirements. Pursuant to the Conditions of the Certificates and subject to certain limitations, a Certificateholder or beneficial owner of Certificates is required to provide forms, documentation and other information relating to such Certificateholder's or beneficial owner's status



under any applicable law (including, without limitation, any Information Reporting Regime or any agreement entered into by the Company pursuant thereto) as is reasonably requested by the Company and/or any agent acting on behalf of the Company for purposes of the Company's, or such agent's compliance with any such law or agreement. If any Certificateholder or beneficial owner fails to provide any information so requested by the Company, the Company shall withhold amounts from payments due on the Certificates (including to intermediaries through which the Certificates are held) and all Certificates shall be the subject of an early redemption.

Additionally, the Company is permitted, subject to the fulfilment of certain requirements set out in Condition 22(b), to make any amendments to the Certificates, the Swap Agreement and any other Transaction Document as may be necessary to enable the Company to comply with its obligations under FATCA (including any applicable IGA and any IGA legislation thereunder) or its obligations under any legislation or agreements relating to any applicable Information Reporting Regime and any such amendment will be binding on the Certificateholders.

Neither a Certificateholder nor a beneficial owner of Certificates will be entitled to any additional amounts if FATCA Withholding or any other withholding or deduction or charge in connection with an Information Reporting Regime is imposed on any payments on or with respect to the Certificates. As a result, Certificateholders may receive less interest or principal, as applicable, than expected.

Each Certificateholder should consult its own tax adviser to obtain a more detailed explanation of FATCA and the other Information Reporting Regimes and to learn how FATCA and the other Information Reporting Regimes might affect such Certificateholder in light of its particular circumstances.

(i) **Taxation position of the Company**

The Company has been advised that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the TCA 1997 ("**Section 110**"), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Company. If, for any reason, the Company is not or ceases to be entitled to the benefits of Section 110, then profits or losses could arise in the Company which could have tax effects not contemplated in the cashflows connected with the Certificates and as such could adversely affect the tax treatment of the Company and consequently payments on the Certificates.

Ireland's Finance Act 2019 introduced some measures which may qualify the extent to which interest payable in respect of results-dependent securities may be deducted for Irish tax purposes. The measures provide that in many cases interest paid to persons which both, directly or indirectly, hold more than 20.0 per cent. of any results-dependent securities issued by the Company (or the interest payable in respect of them) and exercise "significant influence" over the Company may only be deducted for Irish tax purposes to the extent it is paid to a person that is resident in Ireland or is subject to tax in a member state of the European Union (other than Ireland) or a jurisdiction with which Ireland has a double tax treaty. The term "significant influence" is defined as meaning an ability to participate in the financial and operating decisions of the Company.

There is no guarantee that the tax treatment of an Irish securitisation company will not change in the future. The tax deductibility of the Company's interests costs will depend on the applicability of Section 110 TCA 1997 and the current practice of the Irish Revenue Commissioners in relation to that matter. If these rules change this may increase the Company's liability to tax and reduce the amounts available for payments on the Certificates and, in certain circumstances, constitute an Increased Tax Event. If any Increased Tax Event were to occur the Certificates may be redeemed in accordance with Condition 10(c)(ii) (*Redemption and Purchase*).

(j) **No regulation of the Company by any regulatory authority**

The Company is not required to be licensed or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation. There is no assurance, however, that in the future such regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Company. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Company to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse effect on the Company and could give rise to circumstances that could result in the early redemption of the Certificates, which may prove to be adverse to the holders of Certificates issued by the Company.

(k) **No registration as investment company**

The Company has not been registered as an investment company under the Investment Company Act in reliance, where applicable, on the exception provided under Section 3(c)(7) thereof for companies whose outstanding securities (other than securities sold outside the United States in reliance on Regulation S) are beneficially owned by “qualified purchasers” (within the meaning of Section 2(a)(51) of the Investment Company Act) and which do not make a public offering of their securities in the United States. No opinion or no-action position has been requested of the SEC in respect of such non-registration. If the SEC or a court of competent jurisdiction were to find that the Company is required to register as an investment company, possible consequences include, but are not limited to, the SEC applying to enjoin the violation, Certificateholders suing the Company to recover any damages caused by the violation and any contract to which the Company is a party made in violation or whose performance involves a violation of the Investment Company Act being unenforceable unless enforcing such contract would produce a more equitable result. Should the Company be subjected to any or all of the foregoing or to any other consequences, the Company would be materially and adversely affected, which could negatively impact on the value of the Certificates.

## 2 **Specific Risks relating to the Certificates**

Prospective investors should be aware that the following statements are not exhaustive and the Certificates may have other or additional risks associated with them that are not described below.

(a) **Early redemption of Certificates**

The Certificates may redeem prior to the maturity date due to certain events as set forth in the terms and conditions of the Certificates. These include:

- (i) for the taxation reasons set out in Condition 10(c) (which include the imposition of certain additional taxes affecting the Company, the Underlying Fund Shares or payments made by the Company and failure by the Certificateholders to provide certain information for tax purposes);
- (ii) as a result of the termination of the Swap Agreement (see “*Risks relating to the Swap Agreement and the Counterparty*” below);
- (iii) as a result of the occurrence of an Event of Default with respect to the Certificates;
- (iv) as a result of the occurrence of a Market Value Early Redemption Event, as set out in Condition 10(i) (*Market Value Early Redemption Event*), which involves the determination by the Calculation Agent that the market value of the Certificates is less than, or equal to, the Market Value Threshold;

- (v) as a result of the occurrence of a Fund Event, as set out in Condition 10(j) (*Early Redemption following a Fund Event*), which includes the occurrence of any of the following events: (a) insolvency in respect of the Fund, its management company or any of its service providers, (b) a merger or other consolidation in respect of the Fund, (c) a termination of the Fund, (d) nationalisation of the Fund, (e) any litigation involving the Fund, (f) events which affect the calculation of the net asset value and performance of the Fund or (g) events which affect the trading of the Fund, any operational failures, or other legal and regulatory constraints;
- (vi) as a result of the occurrence of an Extraordinary Event with respect to a Reference Share, as set out in paragraph 4 of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions, which includes the occurrence of any of the following events: (a) a merger or tender offer in respect of a Reference Share, (b) a nationalisation of any of the Reference Shares or assets of any of the Reference Share issuers, (c) an insolvency filing or other similar proceedings affecting any of the Reference Share issuers which impact on the transferability of the Reference Shares or (d) a delisting of the relevant Reference Shares on an exchange; or
- (vii) as a result of the occurrence of an Additional Disruption Event with respect to a Reference Share, as set out in paragraph 5 of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions, which includes the occurrence of any of the following events: (a) a change in any applicable law, or a change in the interpretation of any applicable law, pursuant to which it has (or, it will, within the next 15 days prior to the maturity of the Certificates) become unlawful or illegal to hold, acquire or dispose of any of the Reference Shares or (b) any of the Reference Shares Issuers becomes subject to insolvency or similar proceedings.

In such instance, the amounts paid to Certificateholders will generally be their share of the proceeds of the sale or redemption of the Underlying Fund Shares (or the rights in respect thereof) plus any termination payment paid by the Counterparty to the Company in respect of the Swap Agreement following payment by the Company from such sums of amounts payable to any creditors of the Company in respect of the Certificates who take priority to the claims of Certificateholders as specified in the terms and conditions of the Certificates. If any termination payment in respect of the Swap Agreement (if any) is due to the Counterparty from the Company, such amount will, in most circumstances, be payable out of the proceeds of sale or redemption of the Underlying Fund Shares (or the rights in respect thereof) in priority to any payment to Certificateholders.

Upon early termination of the Swap Agreement, an early termination payment based on the losses or costs or, as the case may be, gains of the determining party in entering into a replacement transaction or its economic equivalent (or otherwise determined in accordance with the terms of such Swap Agreement) will be payable by the Company to the Counterparty, or (as the case may be) by the Counterparty to the Company under the Swap Agreement. Such payment will generally be determined by the Counterparty save for where it is in default. If the Counterparty is in default, the payment will be calculated by the Calculation Agent. The determination of any such losses or costs or, as the case may be, gains in entering into replacement transactions and therefore the value of the Swap Agreement (if any) at such time will be dependent on a number of factors including without limitation (i) the creditworthiness and liquidity of the assets underlying the swap payments, (ii) market perception, interest rates, yields and foreign exchange rates and (iii) the time remaining to the scheduled termination date of the Swap Agreement.

You should note that the Certificateholders and the other Transaction Parties will have recourse *only* to the Mortgaged Property in respect of the relevant Certificates and not to any other assets of the Company (see also risk factor entitled "*Limited recourse, non-petition and related risks*" below). If the value of the Underlying Fund Shares or the Swap Agreement does not move in the anticipated direction and is less than the initial purchase price of the Certificates at maturity, investors may risk

losing some or all of their investment. There is no assurance that upon any such early redemption the funds available will be sufficient to pay in full the amounts that holders of the Certificates would expect to receive if the Certificates redeemed in accordance with their terms on their Maturity Date or that such holders will receive back the amount they originally invested.

(b) **Limited recourse, non-petition and related risks**

The only debtor of the Certificates is the Company. Certificateholders may therefore demand payments on the Certificates only from the Company. As described below, the Company is not able to meet its payment obligations with respect to the Certificates from assets or related derivatives and other contracts other than those purchased or entered into by the Company in connection with the Certificates. If net proceeds derived therefrom are not sufficient to make all payments of Secured Liabilities that, but for the operation of the limited recourse provisions in the Conditions and/or any agreement entered into by the Company relating to the Certificates, would be due, then the obligations of the Company in respect of such Secured Liabilities will be limited to such net proceeds. Any shortfall will be borne by the Certificateholders, the Counterparty and other secured parties in relation to the Certificates in accordance with the order of priorities specified in the terms and conditions of the Certificates (applied in reverse order). Therefore, there is no assurance that the funds available will be sufficient to pay in full the amounts due on the Certificates.

Certificateholders should be aware that, in most if not all circumstances, the claims of the other secured parties rank senior to those of Certificateholders. Further, none of the holders of Certificates or any person acting on behalf of any of them is entitled to take any further action against the Company or any of its officers, shareholders, members, employees, corporate service providers or directors to recover any further sum and no debt or liability shall be due or owed by the Company in respect of any such further sum. In particular, none of the holders of Certificates or any person acting on behalf of any of them may at any time institute, or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in any jurisdiction in relation to the Company or any of its assets, and none of them shall have any claim arising with respect to other obligations entered into by the Company. Prospective investors should be aware that the Company may become subject to claims or other liabilities (whether in respect of the Certificates or otherwise) that are not subject to the limited recourse and non-petition limitations (see "*Insolvency*" above). Consequently, Certificateholders risk losing some or all of their investment, as they have lower priority in claims and cannot pursue additional legal actions against the Company.

The Certificates will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Certificates do not represent an interest in and will not be obligations of, or insured or guaranteed by, the Arranger, the Dealer, the Broker, the Custodian, the Counterparty, the Trustee or any Agent, or any Affiliate of any of them. Certificateholders may therefore demand payments on the Certificates only from the Company and have no claim against any other entity involved in the issuance of the Certificates.

(c) **Investors will have to rely on the procedures of Euroclear and/or Clearstream, Luxembourg for transfer, payment and communication with the Company**

The Certificates will be represented by a Global Certificate. Such Global Certificate will generally be deposited with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg. Euronext Securities Milan may hold Certificates on behalf of Italian investors as custodian through its customer accounts with Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Certificates. Euroclear and/or Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Certificate. While the Certificates are

represented by a Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and their respective participants.

While the Certificates are represented by a Global Certificate, the Company will discharge its payment obligations under the Certificates by making payments to the order of the common depository on behalf of Euroclear and/or Clearstream, Luxembourg, for distribution to their account holders. The Company has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate. Therefore, a holder of a beneficial interest in a Global Certificate must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, to receive payments under the Certificates. The Company has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates.

(d) **Meetings of Certificateholders, electronic consent and written resolutions**

The Trust Deed contains provisions for calling meetings of Certificateholders to consider certain matters affecting their interests generally and to obtain written resolutions on matters relating to the Certificates from Certificateholders without calling a meeting. A written resolution signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Certificates who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed shall for all purposes be deemed to be an Extraordinary Resolution.

For so long as the Certificates are in the form of a Global Certificate registered in the name of any nominee for, one or more clearing systems, then, in respect of any resolution proposed by the Company or the Trustee, where the terms of the proposed resolution have been notified to the Certificateholders through the relevant clearing system(s), each of the Company and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Company or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communication systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Certificates outstanding, and such electronic consents shall, for all purposes, be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. Neither the Company nor the Trustee shall be liable or responsible to anyone for such reliance.

A written resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Certificateholders, including the modification of the Conditions of the Certificates, that would otherwise be required to be passed at a meeting of Certificateholders satisfying the special quorum in accordance with the provisions of the Trust Deed, and shall for all purposes take effect as an Extraordinary Resolution.

These provisions permit defined majorities to bind all Certificateholders including Certificateholders who did not attend and vote at the relevant meeting or in respect of the relevant resolution (or participate in the written resolution or electronic consent, as the case may be) and Certificateholders who voted in a manner contrary to the majority (either in a meeting or by written resolution or electronic consent). Consequently, the rights of a holder of less than 25 per cent. of the aggregate principal amount of the Certificates then outstanding, or a Certificateholder who does not attend and vote at a meeting or participate in respect of a resolution or consent irrespective of its holding, may be varied in a manner that is adverse to its wishes and/or interests.

(e) **Modification**

The Trustee may agree, without the consent of the Certificateholders, to (i) any modification of any of the provisions of the Trust Deed or any Related Agreement as each affects the Certificates which is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest

error, (ii) any modification (except as aforesaid), waiver or authorisation of any breach or proposed breach of any of the provisions of the Certificates or the provisions of the Trust Deed or any Related Agreement as each affects the Certificates which, in any such case, is not in the opinion of the Trustee materially prejudicial to the interests of the Certificateholders (subject to certain restrictions) and (iii) in certain circumstances determine that any Event of Default or potential Event of Default shall not be treated as such. In addition, other changes to the terms and conditions of the Certificates may be agreed by meetings of Certificateholders or written resolution of the requisite number of Certificateholders. Any dissenting or absent Certificateholders will also be bound by such change.

(f) **Substitution of the Company**

The Trustee may also agree, without the consent of Certificateholders, to the substitution of any other company in place of the Company as principal debtor under the Trust Deed and the Certificates and any related agreements. Certificateholders will not have the right to object to such substitution. The Trustee, the Counterparty and the Company should use all reasonable efforts to effect a substitution (i) if the Company is required to do so in accordance with the terms of the Swap Agreement, (ii) in the circumstances set out in Condition 10(c), upon the occurrence of a Withholding Tax Event or an Increased Tax Event with respect to the Company. Where the Company is substituted, Certificateholders may nevertheless suffer losses arising out of the substitution process and shall be exposed to the creditworthiness of the substituted company.

(g) **Trustee indemnity and/or security and/or pre-funding**

In certain circumstances, the Certificateholders may be dependent on the Trustee to take certain actions in respect of the Certificates, in particular if the security in respect of the Certificates becomes enforceable under Condition 4(e). Prior to taking such action, the Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities.

“Indemnified” and “secured” are technical legal terms. An indemnity broadly means a promise to protect the receiving party against loss by paying money on the happening of a specified event. So, in the instances where the Trustee requires to be indemnified prior to taking certain action, this effectively means that the Trustee wants a promise that if it suffers a loss or a cost by taking that action then someone else (i.e. the Certificateholders) will pay that amount to the Trustee so that the Trustee does not have to pay that amount itself. As well as, or as an alternative to being indemnified, the Trustee may require to be “secured” against loss or costs arising from what it does, or does not, do. This means that a particular set of assets have been identified as being legally available for the Trustee if it does suffer a loss or a cost. If it suffers that loss or cost then it could “enforce the security”. This normally means that it can require that the particular assets are sold and the proceeds used to meet the loss or cost suffered by the Trustee. The final protection the Trustee might require is that it is pre-funded against any cost or liability. This is not a precise legal term but practically simply means that some money is paid to the Trustee before it takes a particular action so that if it does incur a loss or cost it already has that money to hand.

If the Trustee is not satisfied with its indemnity and/or security and/or pre-funding, it may decide not to take such action, without being in breach of its obligations under the Trust Deed. Consequently, the Certificateholders may have to either arrange for such indemnity and/or security and/or pre-funding or accept the consequences of such inaction by the Trustee. With respect to enforcement under Condition 4(e), this may lead to application of the limited recourse provisions prior to some or all of the Mortgaged Property securing the Certificates being realised, with the Certificateholders losing any rights in respect of the proceeds of such unrealised Mortgaged Property. Certificateholders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any such inaction by the Trustee. The Trustee will not be liable to the Company or anyone else for any costs, charges, losses, damages,

liabilities or expenses arising from or connected with any enforcement under Condition 4(e) or from any act or default of the Trustee, its officers, employees or agents in relation to the Security except to the extent caused by the Trustee's own fraud or wilful misconduct or that of its officers or employees.

The reason why the Trustee requires such indemnity, security or pre-funding is that the losses or costs that may be incurred by the Trustee in taking any action might be substantial and these are not losses or costs that the Trustee is prepared to take on. Were it not for such protections, a Trustee would not be prepared to take on such role and Certificateholders would not be able to benefit from the Trustee being able to hold security on their behalf or being able to take action against the Company as Trustee. Therefore, Certificateholders should be aware that in the absence of providing the requisite indemnity, security, or pre-funding to the Trustee, they may be directly affected by any determination by the Trustee not to enforce the security, potentially adversely impacting their investment as the realisation of any assets or property in connection with any enforcement may be hindered or delayed.

**(h) Certificateholders required to take action in certain circumstances**

In certain circumstances the Certificateholders may need to take collective action in order to exercise rights granted to them in the Conditions. In particular, in the case of an Event of Default in respect of the Certificates, there will be no early redemption of the Certificates within 30 days of the date on which the relevant Event of Default occurred unless the Trustee exercises its discretion to declare an early redemption or is directed to declare an early redemption (x) in writing by holders of at least 20 per cent. of the aggregate principal amount of Certificates outstanding or (y) by an Extraordinary Resolution of the holders of the Certificates (provided, in each case, the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities). Accordingly, in such instance, the Certificateholders will be required to indemnify and/or secure and/or pre-fund the Trustee to its satisfaction against all Related Liabilities and a sufficient percentage of Certificateholders would be required to direct the Trustee to declare an early redemption within 30 days of the date on which the relevant Event of Default occurred.

**(i) Priority of claims**

Following a Liquidation and on an enforcement of the Security, the rights of the Certificateholders to be paid amounts due under the Certificates will be subordinated to (i) expenses, remuneration and other amounts due to the Trustee, (ii) any taxes required to be paid by virtue of the realisation of any assets or property in connection with any Liquidation or enforcement and any costs, charges, expenses and liabilities incurred by the Company or Broker in connection with such Liquidation or enforcement, (iii) amounts owing to the Counterparty representing the return of its excess collateral transferred under the Credit Support Annex and/or manufactured distributions thereon, (iv) certain amounts owing to the Custodian, amounts owing to the Principal Paying Agent in respect of reimbursement for sums paid by them in advance of receipt by them of the funds to make such payment and the expenses, costs, claims or liabilities properly incurred by the Custodian or the Principal Paying Agent, (v) any other claims specified as having priority in the Pricing Conditions, (vi) amounts owing to the Counterparty under the Swap Agreement, and (vii) any other claims as specified in the Conditions, as amended by the Trust Deed relating to the Certificates, that rank in priority to the Certificates. As a consequence of this subordination, the Certificateholders' priority in receiving payment from the proceeds of a Liquidation or enforcement of the Security is lowered, meaning that they will only be paid after all the aforementioned claims and expenses have been settled, potentially reducing the amount available to be paid to Certificateholders or, in some cases, leading to no payment if the proceeds are insufficient to cover higher-ranking claims.

(j) **Taxation and no gross-up**

Each Certificateholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Certificates including proceeds from a disposition of the Certificates and repayment of principal. If any withholding tax or deduction for tax is imposed on payments of interest on the Certificates, the Certificateholders will not be entitled to receive amounts to compensate for such withholding tax and no Event of Default shall occur as a result of any such withholding or deduction.

The Company may become liable for tax charges whether by direct assessment or withholding. If any such event occurs that materially increases the costs and expenses of the Company or otherwise adversely affects the Company, the Certificates may become subject to early redemption at their Early Redemption Amount which is likely to be less than the final redemption amount that may have been payable at maturity otherwise due to such increase in costs and expenses of the Company.

(k) **Investors in Certificates may receive back less than the original invested amount**

Investors in Certificates may lose up to the entire value of their investment in the Certificates as a result of the occurrence of any one or more of the following events:

- (i) The final redemption amount payable in respect of each Certificate is expressed to be an amount in EUR determined by the Calculation Agent equal to (i) EUR 1,000 (being 100 per cent. of such Certificate's principal amount) plus (ii) in respect of each Certificate, subject to a minimum of zero, such Certificate's *pro rata* share of the aggregate redemption amount comprised of cash in respect of the Underlying Fund Shares payable on their scheduled maturity date minus the aggregate principal amount of the Certificates. The Certificates however are not principal protected. The redemption amount payable in respect of the Underlying Fund Shares on their maturity date will be dependent on the net asset value per Underlying Fund Share at the time (although the Fund will seek to protect the net asset value per Underlying Fund Share at 100 per cent. of the initial offer price of such Underlying Fund Share, subject to there being no default by the issuer of any investments made by the Fund or the counterparty to any derivatives trades entered into by the Fund). If the value of the Underlying Fund Shares does not move in the anticipated direction and at maturity is less than the principal amount of the Certificates, although the final redemption amount in such circumstances is expressed to be an amount equal to the principal amount of each Certificate, Certificateholders' claims in respect of such amount will be subject to the limited recourse provisions in respect of the Certificates. This means that Certificateholders will have recourse only to the Mortgaged Property in respect of the payment of the final redemption amount under the Certificates, which will be an amount that is less than the principal amount of the Certificates, and not to any other assets of the Company (see also risk factor entitled "*Limited recourse, non-petition and related risks*" above). **Investors should therefore be prepared to be exposed to the risks related to the Underlying Fund Shares. If the value of the Underlying Fund Shares does not move in the anticipated direction, the Certificates may return less than the amount invested, and in a worst case scenario, investors may lose up to the entire value of their investment.** Notwithstanding the above, if the Calculation Agent in its sole discretion determines at any time that the market value of the Certificates is less than, or equal to 30 per cent. of the aggregate principal amount of the Certificates, then the Company will redeem the Certificates at their Early Redemption Amount, enabling investors to recover part of their initial investment prior to the maturity date of the Certificates, although such amount may be less than the final redemption amount that



may have been payable at maturity and could result in Certificateholders losing part of their investment;

- (ii) the Company, the Custodian, the Paying Agent, the Fund or the Counterparty in respect of the Swap Agreement are subject to insolvency, bankruptcy, examinership or analogous proceedings or some other event impairing the ability of each to meet its obligations on the Certificates, Underlying Fund Shares or Swap Agreement, as applicable;
- (iii) the investor seeks to sell the Certificates prior to their scheduled maturity, and the sale price of the Certificates in the secondary market is less than the purchaser's initial investment;
- (iv) the Certificates are subject to certain adjustments in accordance with the terms and conditions of the Certificates that may result in the scheduled amount to be paid upon redemption being reduced to or being valued at an amount less than a purchaser's initial investment;
- (v) on any early redemption of the Certificates, payment default at maturity or enforcement of security, any sums payable by the Company (or, in the case of enforcement of security, by the Trustee) will be paid in accordance with a specified order of priorities. The Certificateholders are at the bottom of that order of priorities. As a result, they may not receive amounts owing to them in full or at all or amounts received by them may be lower than would have been the case were they higher in the order of priorities. In particular, investors may receive less (possibly substantially less or zero) than the principal amount of their Certificates or than the amount they invested; and
- (vi) the Company does not hold the Underlying Fund Shares until their maturity date, the issuer of any investments made by the Fund, or the counterparty to any derivatives trades entered into by the Fund, defaults.

Notwithstanding that the Certificates are linked to the performance of the Underlying Fund Shares, investors in the Certificates do not have and shall not receive any rights in respect of the Underlying Fund Shares and shall have no right to call for the Underlying Fund Shares to be delivered to them.

**(l) The interest pay-outs and value of the Certificates are linked to the performance of the Worst Performing Reference Share**

An investment in the Certificates is not equivalent to an investment in conventional debt securities. The terms of the Certificates differ from those of ordinary debt securities because the Certificates may not pay interest, depending on the performance of the Worst Performing Reference Share. If the value of the Worst Performing Reference Share, determined by dividing the closing price of such Reference Share on the relevant Valuation Date by the initial price of such Reference Share on the Initial Valuation Date, is less than the Barrier Level, investors will not receive any interest payment in respect of such interest accrual period. The interest payable in respect of the Certificates, and therefore the value of an investment in the Certificates, is linked to the performance of the Worst Performing Reference Share. Certificateholders should therefore be prepared to be exposed to the risks relating to the Reference Shares, whose value or level can alter sharply because it reflects the performance of general stock or market conditions. A decline in the performance of the Worst Performance Reference Share amongst the basket of Reference Shares is likely to have an adverse effect on the value and return on the Certificates. For specific risks in respect of the Reference Shares, see Risk Factor entitled "*Risks Relating to the Reference Shares*").

**(m) Not a bank deposit**

Any investment in the Certificates does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The

Company is not authorised or licensed by the Central Bank of Ireland by virtue of the issue of the Certificates.

(n) **Market Value of Certificates**

The market value of the Certificates will be affected by a number of factors, including, but not limited to (i) the value and volatility of the Underlying Fund Shares and the creditworthiness of the Fund, (ii) the value and volatility of the Reference Shares to which interest payments under the Certificates are linked, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the maturity date and (v) the nature and liquidity of the Swap Agreement. Any price at which Certificates may be sold prior to the maturity date may be at a discount, which could be substantial, to the value at which the Certificates were acquired on the issue date.

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

(o) **Investments may be subject to investment law and regulations**

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

(p) **Resolution of financial institutions**

Following the global financial crisis, in 2011 the Financial Stability Board (the “FSB”) produced a document setting out key attributes of effective resolution regimes for financial institutions. Resolution is the process by which the authorities can intervene to manage the failure of a firm in an orderly fashion. The FSB’s proposals have been implemented in the laws of, among others, the European Union and the United States.

The taking of any actions by the relevant resolution authorities under any regime may adversely affect the Certificateholders. Whilst the Company itself is unlikely to be within scope of any implementing legislation, if the obligor in respect of any Underlying Fund Shares (including the Fund) or the Counterparty is within the scope of any implementing legislation:

- (i) any applicable bail-in power might be exercised in respect of the Underlying Fund Shares or the Swap Agreement (as the case may be) to convert any claim of the Company as against such person;
- (ii) any applicable suspension power might prevent the Company from exercising any termination rights under the Swap Agreement; or

- (iii) any applicable close out power might be exercised to enforce a termination of the Swap Agreement and to value the transactions in respect of such agreements (which value may be different to the value that would have been determined by the Company or the Counterparty (as the case may be)).

The operation of resolution regimes and their application to cross-border financial institutions is complex and the resolution of the Fund or the Counterparty is likely to adversely affect the Certificates in multiple and unpredictable ways. Following an exercise of any powers by a resolution authority, the Company may have insufficient assets or sums to meet its obligations under the Certificates or any Transaction Document for that Series, the Certificates may be the subject of an early redemption and any payment of redemption proceeds to Certificateholders may be delayed. Each Certificateholder should take such advice as it deems necessary to ensure that it understands the impact that a resolution regime may have on its investment in the Certificates.

(q) **Qualified financial contracts**

In September 2017, the Board of Governors of the Federal Reserve System (the “**Board of Governors**”) adopted a final rule (the “**Final Rule**”) imposing restrictions on the ability of a party to call a default under, or to restrict transfers of, certain qualified financial contracts (“**QFCs**”) entered into by any top-tier bank holding company identified by the Board of Governors as a global systemically important banking organisation (each a “**GSIB**”), the subsidiaries of any U.S. GSIB (with certain exceptions) or the U.S. operations of any foreign GSIB (with certain exceptions) (collectively, subject to certain exceptions, “**Covered Entities**”). The Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency have adopted parallel rules which are substantively the same as the Final Rule. A QFC includes, among other things, over-the-counter derivatives, repurchase agreements, contracts for the purchase or sale of securities and any credit enhancement in respect of the foregoing contracts (including a guarantee as well as a charge, pledge, mortgage or other similar credit support arrangement). In respect of the Certificates, the Counterparty and the Dealer may be Covered Entities to which the Final Rule applies and the Swap Agreement, the Dealer Agreement and the Trust Deed (as non-U.S. law governed contracts) are likely to constitute QFCs.

While the relevant U.S. federal banking laws and regulations (the “**U.S. Special Resolution Regimes**”) provide for such restrictions on default rights and transfers, if the relevant contract is not governed by the laws of the United States or a state of the United States, a court outside the United States may decline to enforce such provisions even if a Covered Entity is in a proceeding under a U.S. Special Resolution Regime. To address this, the Final Rule requires a Covered Entity to ensure that each QFC it enters into (a “**Covered QFC**”) includes provisions that (i) restrict default rights against such Covered Entity to the same extent as provided under the U.S. Special Resolution Regimes and (ii) restrict the exercise of any cross-default rights against such Covered Entity based on any affiliate’s entry into bankruptcy or similar proceedings. In respect of the Certificates, each Transaction Document which constitutes a Covered QFC will include provisions which reflect these requirements and, as a result, the Company may face a delay in being able to enforce its rights against such a Transaction Party or be restricted from terminating such a Transaction Document.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Certificates so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and/or Clearstream, Luxembourg and their respective participants to appoint appropriate proxies. Similarly, holders of beneficial interests in a Global Certificate will not have a direct right under such Global Certificate to take enforcement action against the Company in the event of a default under the Certificates but will have to rely upon their rights under the Trust Deed.

(r) **Limited Liquidity and Restrictions on Transfer of the Certificates**

The Certificates may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid and potential investors may not be able to find a buyer. Therefore, potential investors may not be able to sell their Certificates or, if they can, they may only be able to sell them at a price which is substantially less than the original purchase price.

The Company may list the Certificates on a stock exchange but, in such case, the fact that such Certificates are listed will not necessarily lead to greater liquidity. If Certificates are not listed or traded on any exchange, pricing information for such Certificates may be more difficult to obtain and they may be more difficult to sell.

The Dealer may act as a market maker for the Certificates, but is not required to do so (subject to the rules of any applicable securities exchange). As other market makers may not participate significantly in the secondary market for the Certificates, the price at which you may be able to trade your Certificates is likely to depend on the price, if any, at which the Dealer is willing to buy the Certificates. If at any time the Dealer or another agent does not act as a market maker, it is likely that there would be little or no secondary market for the Certificates.

If the Dealer does make a market for the Certificates, it may cease to do so at any time without notice (subject to the rules of any applicable securities exchange).

The Certificates are also subject to selling restrictions and purchaser representations and requirements and transfer restrictions that may limit your ability to resell or transfer them.

For these reasons, you should not assume that a secondary market will exist for the Certificates, and you should be prepared to hold your Certificates until their scheduled maturity. The availability of any secondary market may be limited or non-existent and, if you are able to sell your Certificates, you may receive significantly less than you would otherwise receive by holding the Certificates to their scheduled maturity.

The Certificates are structured instruments for which there is likely to be limited liquidity. Generally, but especially in times of financial distress, the Certificates may either not be saleable at all or may only be saleable at significant discounts to their fair market value or to the amount originally invested.

The Certificates are subject to certain transfer restrictions and can be transferred only to certain transferees under certain circumstances. Such restrictions on the transfer of Certificates may further limit their liquidity. Purchasers should have regard to the section of this Prospectus headed "*Transfer Restrictions*".

(s) **Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected**

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

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

(t) **Impact of Increased Regulation and Nationalisation**

The global financial crisis led to a materially increased involvement of governmental and regulatory authorities in the financial sector and in the operation of financial institutions. In particular, governmental and regulatory authorities in a number of jurisdictions have imposed stricter laws and regulations around certain financial activities and/or have indicated that they intend to impose such controls in the future. The United States of America, the European Union and other jurisdictions are actively considering or are in the process of implementing various reform measures. Such regulatory changes and the method of their implementation may have a significant impact on the operation of the financial markets. Examples of such legislation and its consequences are considered in “*Resolution of Financial Institutions*” in this Section. It is uncertain how a changed regulatory environment will affect the Company, the treatment of instruments such as the Certificates, the Arranger, the Counterparty and the other Transaction Parties. Note that the Counterparty may be entitled to terminate the Swap Agreement upon the occurrence of certain regulatory events (as described in “*Regulatory Event*” under “*Termination Events*” in the Section of this Prospectus entitled “*The Swap Agreement*”) – see “*Risks Relating to the Swap Agreement and the Counterparty*” below.

(u) **Change of law**

The terms and conditions of the Certificates are governed by English law in effect as at the date of issue of the Certificates. No assurance can be given as to the impact of any possible judicial decision or change to English law, the law governing the incorporation of the Company or administrative practice after the date of issue of the Certificates.

### 3 Risks relating to the Reference Shares

(a) **Payment of interest amounts is conditional on the performance of the Worst Performing Reference Share**

The payment of interest amounts by the Company in respect of any Interest Accrual Period is conditional on the performance of the Worst Performing Reference Share. If on the Valuation Date prior to any Specified Interest Payment Date the performance of the Worst Performing Reference Share amongst a basket of Reference Shares, determined by dividing the closing price of such Reference Share on such Valuation Date by the initial price of such Reference Share on the Initial Valuation Date, is greater than or equal to, (i) in respect of the Valuation Date falling on 2 December 2024 and the Valuation Dates falling in 2025 and 2026, 80 per cent., or (ii) in respect of the Valuation Dates falling in 2027 and 2028, 100 per cent. (the “**Barrier Level**”), then an interest amount determined at a fixed rate of 5.00 per cent. per annum will be payable by the Company in respect of the Certificates on such Specified Interest Payment Date in respect of the related Interest Accrual Period. If, however, on such Valuation Date the performance of the Worst Performing Reference Share amongst the basket of Reference Shares is less than the Barrier Level, then no interest amount will be payable in respect of the Certificates by the Company on such Specified Interest Payment Date even if the performance of the other Reference Shares in the basket is not less than the Barrier Level. For the purposes of the payment of interest amounts on the Certificates, only the performance of the Reference Shares on each Valuation Date is relevant. The performance of the Reference Shares on dates that are not designated Valuation Dates, even if exceeding the Barrier Level, does not have an impact on the payment of interest amounts under the Certificates. Interest is only payable on a Specified Interest Payment Date if the performance of the Worst Performing

Reference Share is greater than or equal to the Barrier Level on the Valuation Date prior to such Specified Interest Payment Date.

In addition, investors should note that there may be a risk that if the issuer of a Reference Share becomes insolvent, the value of the Worst Performing Reference Share may become zero. As a result thereof the value of the Certificates will be adversely affected and no interest amounts will be payable under the Certificates to Certificateholders in respect of all future Specified Interest Payment Dates following such insolvency.

Therefore, Certificateholders should be aware that their potential interest earnings are dependent on the performance of the Worst Performing Reference Share. If such Reference Share underperforms and is less than the Barrier Level on the relevant Valuation Date in respect of any Interest Accrual Period, Certificateholders will not receive any interest amounts for the corresponding Interest Accrual Period, even if all other Reference Shares perform above the Barrier Level. **The payment of any interest amounts in respect of any Interest Accrual Period is, therefore, variable and not guaranteed and in a worst case scenario, may be zero.**

(b) **The performance of the Reference Shares will depend on many diverse and unpredictable factors**

The performance of the Reference Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments and political factors, and company-specific factors such as earnings position, market position, risk situation, market liquidity for the Reference Shares, shareholder structure and dividend policy. Any one or a combination of such factors could adversely affect the performance of the Reference Shares which, in turn, could have an adverse effect on the value of and return on your Certificates.

(c) **The past performance of a Reference Share is not indicative of future performance**

Any information about the past performance of a Reference Share should not be regarded as indicative of any future performance of such Reference Share, or as an indication of the range of, or trends or fluctuations in, the price or value of such Reference Share that may occur in the future. It is not possible to predict the future value of the Reference Shares (and therefore, the Certificates) based on such past performance. Actual results will be different, and such differences may be material, and could have a negative impact on the value of and return on your Certificates.

(d) **The market value or return on the Certificates may not be comparable or directly proportionate to the change in value of such Reference Shares**

Unlike a direct investment in the relevant Reference Shares, Certificates represent the right to receive interest payments which will be determined by reference to the performance of the relevant Reference Shares. Whilst the return on the Certificates will be influenced (positively or negatively) by the Reference Shares, any change may not be comparable or directly proportionate to the change in value of such Reference Shares, and you may receive less or lose more than if you had invested in the Reference Shares directly or through another product.

(e) **No claim against the Reference Share Issuer or recourse to the Reference Shares**

The Certificates do not represent a claim against or an investment in any Reference Share Issuer and you will not have any right of recourse under the Certificates to any such company or the Reference Shares. The Certificates are not in any way sponsored, endorsed or promoted by any Reference Share Issuer and such companies have no obligation to take into account the consequences of their actions on Certificateholders. Each Reference Share Issuer may take any actions in respect of its Reference Share without regard to your interests as a Certificateholder, and any of these actions could adversely affect the value of and return on the Certificates.

(f) **No right to participate in dividends or any other distributions**

Certificateholders will not participate in dividends or any other distributions paid on the Reference Shares. Therefore, the return on the Certificates may be lower than holding such Reference Shares directly or through another product.

(g) **Determinations made by the Calculation Agent in respect of Potential Adjustment Events, Extraordinary Events or Additional Disruption Events may have an adverse effect on the value of the Certificates**

Upon determining that a Potential Adjustment Event, Extraordinary Event or Additional Disruption Event has occurred in relation to a Reference Share or a Reference Share Issuer, the Calculation Agent has discretionary authority under the terms and conditions of the Certificates to make certain determinations to account for such event including to (i) make adjustments to the terms of the Certificates without Certificateholder consent and/or (ii) in the case of an Extraordinary Event or an Additional Disruption Event, redeem the Certificates prior to their scheduled maturity date, any of which determinations may have an adverse effect on the value of and return on the Certificates.

(i) Potential Adjustment Events: these include (A) a sub-division, consolidation or re-classification of the relevant Reference Shares, (B) an extraordinary dividend in respect of a Reference Share, (C) a call by a Reference Share Issuer in respect of the Reference Shares that are not fully paid, (D) a repurchase by a Reference Share Issuer, or an affiliate thereof, of the relevant Reference Shares, (E) in respect of a Reference Share Issuer, a separation of rights from the relevant Reference Shares or (F) any event having a dilutive or concentrative effect on the value of the Reference Shares.

(ii) Extraordinary Events: these include (A) a delisting of the Reference Shares on an exchange, (B) an insolvency (where all the Reference Shares of the Reference Share issuer are transferred to a trustee, liquidator or similar official or may not be legally transferred) or bankruptcy of any Reference Share Issuer, (C) a merger event entailing the consolidation of the Reference Shares with those of another entity, (D) a nationalisation of the any Reference Share Issuer or transfer of the Shares to a governmental entity or (E) a tender offer or takeover offer that results in transfer of the Reference Shares to another entity.

(iii) Additional Disruption Events: these include (A) a change in applicable law or a change in the interpretation of any applicable law, since the Issue Date that makes it (or will make it, within the next 15 days prior to the maturity of the Certificates) illegal to hold, acquire or dispose of the Reference Shares or (B) an insolvency or bankruptcy filing by or on behalf of the Reference Share issuer.

(h) **Exposure to correction of prices in connection with the Reference Shares**

There is a risk to investors associated with the possibility that the price for a Reference Share that was previously published on the relevant exchange and used to make any calculations or other determinations in connection with the Certificates is subsequently corrected. If such correction is published on the relevant exchange by the earlier of (i) the end of the standard period for settling trades in the Reference Share according to the rules of the exchange and (ii) two Business Days before a payment by the Company is due or a determination in respect of the Certificates may have to be made, the Calculation Agent has discretionary authority under the terms and conditions of the Certificates to adjust the amount that is payable under the Certificates to account for any correction in the price of any of the Reference Shares, which may result in a lower amount than the amount which would have been payable if determined in accordance with the price which was originally

published on the relevant exchange. Any such adjustment may have an adverse effect on the value of and return on the Certificates.

#### **4 Risks relating to the Underlying Fund Shares**

The following risks are some of the risks that the Underlying Fund Shares are exposed to, but the list does not purport to be exhaustive. Potential investors should be aware that the Underlying Fund Shares may be exposed to other risks of an exceptional nature from time to time. Potential investors should review the Fund's offering document in respect of the Fund and the Underlying Fund Shares, including the risk factors, prior to making an investment in the Certificates. However, the Company assumes no responsibility for the accuracy or completeness of any Fund offering documents.

##### **(a) Market risks relating to the Underlying Fund Shares**

The Underlying Fund Shares relating to the Certificates will be subject to credit, liquidity and interest rate risks. No investigations, searches or other enquiries will be made by or on behalf of the Company, the Certificateholders or the Trustee in respect of the Underlying Fund Shares and no representations or warranties, express or implied, will be given by the Company, the Arranger, the Broker, the Dealer, the Trustee, the Counterparty, the Custodian or any other Agent, or any Affiliate of any of them (including any directors, officers or employees thereof), in respect of the Underlying Fund Shares.

There might only be limited liquidity for the Underlying Fund Shares and generally, but especially in times of financial distress, the Underlying Fund Shares may either not be saleable at all or may only be saleable at significant discounts to its fair market value or to the amount originally invested. As the Company has entered into a Credit Support Annex as part of its Swap Agreement, by virtue of the collateral requirements applicable to any such arrangements the Outstanding Assets held by it from time to time may comprise assets in addition to the Underlying Fund Shares. If the Company holds additional assets, the types of assets that may comprise Outstanding Assets may be diverse and may be less liquid and more volatile than the Underlying Fund Shares.

As the nature of the Underlying Fund Shares is such that in accordance with their terms value varies dependent on their performance, the ability of the Company to pay amounts due on the Certificates will be adversely affected by an adverse performance of such assets. Upon the occurrence of a Liquidation Event, the Underlying Fund Shares relating thereto will be sold or otherwise liquidated (except where otherwise transferred in accordance with the Conditions). No assurance can be given as to the amount of proceeds of any sale or liquidation of such assets at that time, or upon any enforcement of Security, since the market value of such assets will be affected by a number of factors including but not limited to (i) the creditworthiness of the issuer of those assets, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled maturity of such assets and (iv) the liquidity of such assets. Accordingly, the price at which such assets are sold or liquidated may be at a discount, which could be substantial, to the market value of the Underlying Fund Shares on the issue date and the proceeds of any such sale or liquidation may not be sufficient to repay the full amount of principal of and interest on the Certificates that the holders of the Certificates would expect to receive if the Certificates redeemed in accordance with their terms on their Scheduled Maturity Date.

##### **(b) Likelihood of the Fund defaulting on its obligations or becoming insolvent**

If a default has occurred with respect to the Underlying Fund Shares, it is not likely that the proceeds of any sale or redemption of the Underlying Fund Shares will be equal to the unpaid principal of the Certificates and interest thereon or the relevant portion thereof. In the event of an insolvency of the Fund, various insolvency and related laws applicable to the Fund may (directly or indirectly) limit the



amount the Company or the Trustee may recover in respect of such assets. As a result, Certificateholders risk losing some or all of their investment.

(c) **Liquidation constraints**

In certain circumstances, the Broker may determine that it is not permitted under applicable laws or under its internal policies having general application or it is otherwise not possible or practicable for the Underlying Fund Shares to be sold or otherwise liquidated by the Broker on behalf of the Company, in which case there may be a delay in the Certificateholders receiving any amounts payable in respect of the Certificates upon such early redemption.

(d) **Factors affecting the performance of the Fund may adversely affect the value of and return on the Certificates**

The performance of the Underlying Fund Shares will affect the value of the investment return on the Certificates. The performance of the Underlying Fund Shares is dependent upon many factors, including macroeconomic factors (such as interest and price levels on the capital markets, currency developments including variation of exchange rates of foreign currencies, political, judicial or economic factors) and Fund-specific factors (such as the risk profile of the Fund, the expertise of its senior personnel and its shareholder structure and distribution policy). The investment objectives and policies employed by the Fund and the underlying components in which it invests may utilise various investment strategies which may also affect the performance of the Underlying Fund Shares. In addition, the Fund may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for investment positions to be opened or liquidated. Any one or a combination of such factors could adversely affect the performance of the Fund which, in turn, could have an adverse effect on the value of and return on your Certificates.

(e) **Costs relating to the Fund**

The Fund's performance will be affected by the fees and expenses which it incurs, as described in its offering documents. Such fees and expenses will include the investment management fees (which will be an amount up to 2 per cent. per annum of the net asset value per Underlying Fund Share) and operating expenses typically incurred in connection with any direct investment in the Fund. The Fund will assess fees and incur costs and expenses regardless of its performance. High levels of trading could cause the Fund to incur increased trading costs. Holders of Certificates will be exposed to a *pro rata* share of the fees and expenses of the Fund and such exposure could have a negative impact on the value of and return on the Certificates than in the absence of such fees and expenses

(f) **No claim against a Fund or recourse to the Underlying Fund Shares**

Certificateholders will have no claim against the Fund, its management company or any fund service provider, and the Certificateholders will not have any right of recourse under the Certificates to any such entity or the Underlying Fund Shares. The Certificates are not in any way sponsored, endorsed or promoted by the Fund, its management company or any fund service provider, and such entities have no obligation to take into account the consequences of their actions in respect of any Certificateholders. The Fund, its management company or any fund service provider may take any actions in respect of such Fund without regard to the interests of the Certificateholders, and any of these actions could adversely affect the market value of and return on the Certificates.

(g) **Valuation risk in relation to the Fund**

The Calculation Agent will rely on the calculation and publication of the net asset value per Underlying Fund Share by the relevant Fund itself (or another entity on its behalf). Any delay, suspension or inaccuracy in the calculation and publication of the net asset value per Underlying

Fund Share will impact on the calculation of the return on the Certificates. The value of and return on the Certificates may also be reduced if a Fund delays payments in respect of the Underlying Fund Share redemptions – see paragraph (k) below “The Fund may be subject to transfer restrictions and illiquidity”.

The Underlying Fund Shares and/or the investments made by the Fund may be valued only by administrators, custodians or other service provider of the Fund and may not be verified by an independent third party on a regular or timely basis. There is a risk that (i) the determinations of the Calculation Agent may not reflect the true value of the Underlying Fund Shares at a specific time which could result in losses or inaccurate pricing and/or (ii) relevant values may not be available on a relevant date which could result in the Certificates being redeemed early.

Any such factors in relation to the valuation of the Underlying Fund Shares could have a negative impact on the value of and return on the Certificates.

(h) **Trading in indices, financial instruments and currencies**

The Fund places an emphasis on trading financial instruments and/or currencies. The effect of any governmental intervention may be particularly significant at certain times in currency and financial instrument futures and options markets. Such intervention (as well as other factors) may cause all of these markets to move rapidly in the same or varying directions which may result in sudden and significant losses, which losses could lead to losses to holders of the Certificates.

(i) **Strategies of the Fund may not be successful in achieving its investment objective**

No assurance can be given that the investment strategy of the Fund will be successful or that the investment objective of the Fund will be achieved, or that any analytical model used by the relevant management company will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which the Fund has invested or will invest will prove accurate. The analytical models utilised by a management company of a Fund and upon which investment decisions are based may be developed from historical analysis of the performance or correlation of historical analysis of the performance or correlations of certain companies, securities, industries, countries or markets. There can be no assurance that the historical performance that is used to determine such analytical models will be a good indicator of future performance, and if the future performance of the Fund varies significantly, the management company of the Fund may not achieve its intended investment performance. No assurance can be given that the strategies to be used by the Fund will be successful under all or any market conditions. The Fund may utilise financial instruments such as derivatives for investment purposes and/or seek to hedge against fluctuations in the relative values of the Fund's portfolio positions as a result of changes in exchange rates, interest rates and levels of yields and prices of other securities. Such hedging transactions may not always achieve the intended outcome and can also limit potential gains.

The management of the Fund may have broad discretion over its investment strategy, within specified parameters. The Fund could, for example, alter its investment focus within a prescribed market. Any shift in strategy could bear adverse consequences to the Fund's investment performance. Further, the Fund may have difficulty realising on any strategy initiatives that it undertakes. It may not sometimes be clear whether the Fund fulfils the investment criteria set out in its investment guidelines.

Any such issues with relation to the Fund's strategy or other factors described above could adversely affect the performance of the Fund which, in turn, could have an adverse effect on the value of and return on your Certificates.

(j) **Regulatory and volatility risk**

The regulatory environment is evolving and changes therein may adversely affect the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its investment strategies. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by the Fund. It is not possible to predict the effect of any future changes to applicable law or regulation or uncertainties such as international political developments, changes in government policies, taxation, restrictions or foreign investment and currency repatriation or fluctuations.

Further, the markets in which the Fund invests may prove to be highly volatile from time to time as a result of, for example, sudden changes in government policies on taxation and currency repatriation or changes in legislation relating to the value of foreign ownership of assets held by a Fund, and this may affect the net asset value at which such Fund may liquidate positions to meet repurchase requests or other funding requirements and, in turn, the value of your Certificates.

Any such regulatory changes or market volatility could adversely affect the performance of the Fund which, in turn, could have an adverse effect on the value of and return on your Certificates.

(k) **The Fund may be subject to transfer restrictions and illiquidity**

There can be no assurance that the liquidity of the Fund will always be sufficient to meet redemption requests as, and when, made. Any lack of liquidity or restrictions on redemptions may affect the liquidity of the Underlying Fund Shares and their value and could adversely affect the performance of the Certificates.

The Fund may make investments for which no liquid market exists. The market values, if any, of such investments tend to be more volatile and the Fund may not be able to sell them when it desires to do so or to realise what it perceives to be their fair value in the event of a sale. Moreover, assets in which the Fund may invest may include those that are not listed on a securities exchange or traded on an over-the-counter market. As a result of the absence of a public trading market for these assets, they may be less liquid than, for example, publicly traded securities. The Fund may encounter substantial delays in attempting to sell non-publicly traded assets or securities. Although these assets may be resold in privately negotiated transactions, the values realised from these sales could be less than those originally paid by the Fund and less than the values estimated for such assets by such Fund. Further, entities whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements which would be applicable if their securities were publicly traded.

Trading in the assets held by the Fund may be limited to privately negotiated transactions, which could increase transaction costs relative to exchange trading and which could cause substantial lags in realising amounts from assets designated for sale. Any such issues with regard to redemptions, transfers and liquidity of the Fund could have an adverse effect on the value of and return on your Certificates.

(l) **Lack of control and reliance on the third party management company of the Fund**

Certificateholders will have no right to participate in the management of the Fund or in the control of the Fund's business. Accordingly no person should purchase any Certificates unless the investor is willing to entrust all aspects of management of the Fund to the management company of the

Fund. The investment return on the Certificates may depend entirely on the efforts of the management company of the Fund and its principals.

The performance of the Fund is dependent on the performance of the management company in managing the investments of the Fund. The management company of the Fund may invest in and actively traded instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets, the leverage factors associated with trading in such markets and instruments, and the potential exposure to loss resulting from counterparty defaults.

The Company will not have any role in the management of the Fund. Moreover, the Company will not have the opportunity to evaluate or be consulted in relation to any specific investments made by the Fund before they are made. The investment return on the Certificates will depend primarily on the performance of the unrelated management company in managing the investments of the Fund and could be adversely affected by any unfavourable performance of such management company.

The Fund or its management company may also become involved in shareholder, insider trading or other litigation as a result of its investment activities. Any such dispute could adversely affect the performance of the Underlying Fund Shares and consequently, of the Certificates.

Any of the above-described factors could have an adverse effect on the value of and return on your Certificates.

(m) **Reliance on key personnel**

The success of the Fund is dependent on the expertise of its management company and fund service providers. The loss of one or more investment personnel associated with such management company or fund service provider could have a material adverse effect on the ability of a management company or fund service provider, as applicable, to complete its obligations in respect of the Fund, resulting in losses for the Fund and a decline in the value of the Underlying Fund Shares. Certain management companies and fund service providers may have only one principal personnel, without whom the relevant management company or fund service provider, as applicable, could not continue to operate. The loss of such principal personnel could adversely affect the performance of the Fund which, in turn, could have an adverse effect on the value of and return on your Certificates.

(n) **A change in the composition or discontinuance of the Fund could adversely affect the market value of the Certificates**

The management company of the Fund may, without regard to the interests of the Certificateholders, add, remove or substitute the components of the Fund in which the Fund invests or make other methodological changes that could change the investment profile of the Fund, which could adversely affect the investment return on the Certificates. The management company of the Fund may also determine to discontinue such Fund. If the Fund is discontinued, the Certificates may be redeemed early. Any such action could have a negative impact on the value of and return on the Certificates.

(o) **Leverage**

The Fund may utilise leverage techniques, including the use of borrowed funds, repurchase agreements and other derivative financial instruments. While leverage presents opportunities for increasing the Fund's total return, it increases the potential risk of loss. Any event which adversely affects the value of an investment by the Fund is magnified to the extent that such investment is leveraged. Leverage can have a similar effect on assets in which such Fund invests. The use of

leverage by the Fund could result in substantial losses by the Fund which would be greater than if leverage had not been used, and such losses could lead to losses to the holder of the Certificates.

(p) **Key Risks relating to the types of investments to be made by the Fund**

The Fund principally invests in debt instruments, including but not limited to investment-grade and non-investment grade fixed and/or floating rate transferable debt securities of all types (including corporate debt securities, bonds and notes, zero-coupon and discount bonds, debentures, inflation linked bonds, subordinated debt securities) denominated in any currency and issued owned or guaranteed by sovereign or government agencies, supranational entities and/or corporate issuers located anywhere in the world (including emerging markets).

In respect of the selection of debt instruments, the Fund will give preference to investments in investment grade government bonds issued by governments globally and/or investment grade/non-investment grade debt instruments issued by credit institutions and/or insurance companies authorised to operate in the UK and/or credit institutions and/or insurance companies authorised to operate in the EU or the European Economic Area and listed on the European Banking Authority's credit institution register and/or listed on the European Insurance and Occupational Pensions Authority's register of insurance undertakings (respectively) and/or issued by credit institutions authorised by the relevant regulatory authority to operate in the United States. The Fund will select the debt instruments based on an analysis which includes assessment of debt instruments particular yield levels (i.e., the level of return given by a bond up to its maturity date), yield curve slopes (i.e., different levels of return for different maturity dates) and country spreads (i.e., the difference in yield between certain government bonds having the same maturity date).

The debt instruments in which the Fund invests will be either non-investment grade or investment grade at the time of purchase or, if unrated, which are in the opinion of the manager of the Fund, of comparable quality. At the time of purchase of the debt instruments, the Fund may only purchase, in aggregate, up to 30% of its net asset value in either non-investment grade and/or subordinated debt. Where a debt instrument ceases to be rated or its rating is reduced to below investment grade following its purchase, the manager of the Fund will consider such event in determining whether the Fund should continue to hold the security. The manager of the Fund may invest substantially or fully in government bonds issued by any Member State.

The following risks are the material risks relating to the types of investments made by the Fund, but the list does not purport to be exhaustive. Prospective investors should be aware that these types of investments may have other or additional risks associated with them that are not described below. Potential investors should review the Fund's offering document in respect of the Fund and the Underlying Fund Shares, including the risk factors, prior to making an investment in the Certificates. However, the Company assumes no responsibility for the accuracy or completeness of any Fund offering documents.

(i) **Subordinated Debt Risk**

As described above, the Fund may invest in subordinated debt instruments which are often more attractive investments than senior debt securities in respect of the yield these investments may provide. Subordinated debt instruments may however involve a greater credit risk as they rank below senior debt securities with regard to the repayment of the principal in the case of issuer default i.e., subordinated debt holders are not repaid until after senior debtholders have been fully paid. The default in the subordinated debt instruments held by the Fund may result in a fall in the value of the Underlying Fund Shares due to the lower recovery prospects of such subordinated investments. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any reduction in value of the Underlying Fund Shares could have an adverse effect on the value of and return on the Certificates.

**(ii) Small and medium capitalisation companies**

The Fund will generally invest in larger capitalisation companies, but it is possible that it may invest a portion of its assets in the securities of companies with small to medium-sized market capitalisations. While the manager of the Fund believes they often provide significant potential for appreciation, those stocks, particularly small-capitalisation stocks, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small capitalisation companies and even medium capitalisation companies are often more volatile than prices of large capitalisation securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some small capitalisation companies, an investment in those companies may be illiquid, particularly where the Fund holds concentrated positions. Increased volatility and higher risk of loss associated with small to medium-sized company investments could lead to greater fluctuations and potential reduction in the value of the Underlying Fund Shares. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any reduction in value of the Underlying Fund Shares could have an adverse effect on the value of and return on the Certificates.

**(iii) Investing in Fixed Income Securities**

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. The Fund can invest in lower-rated securities which will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time. The volume of transactions effected in certain international bond markets may be appreciably below that of the world’s largest markets, such as the United States. Accordingly, the Fund’s investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity. If the Fund invests in lower-rated securities, the volatility and liquidity risks associated in lower-rated securities and international bond markets can lead to fluctuations in the value of the Underlying Fund Shares. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any reduction in value of the Underlying Fund Shares could have an adverse effect on the value of and return on the Certificates.

**(iv) Below Investment Grade Credit Risk**

Where the Fund invests in securities issued by an entity that has a credit rating of below investment grade by a rating agency it will be exposed to a higher level of risk than is usual in other cases. In particular each of the risks discussed are relevant to any such investments and may have a greater likelihood of impacting on the Fund:

**(A) Liquidity Risk**

Not all securities or instruments invested in by the Fund will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Fund may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. This risk may be more pronounced for the Fund’s investments in developing countries. The Fund’s investments in less liquid assets and potential difficulties in asset disposition, which may result in sales of

the Fund's assets at unfavourable prices, can negatively affect the value of the Underlying Fund Shares. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any reduction in value of the Underlying Fund Shares could have an adverse effect on the value of and return on the Certificates.

**(B) Credit Risk**

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. The Fund will also be exposed to a credit risk in relation to the counterparties with whom it trades or places margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default. If the Fund's investments face credit difficulties, the Underlying Fund Shares face the risk of reduced returns or potential losses. Additionally, the Fund's exposure to credit risk through counterparties in derivative transactions can result in counterparty default, which may negatively impact the value of the Underlying Fund Shares. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any reduction in value of the Underlying Fund Shares could have an adverse effect on the value of and return on the Certificates.

**(C) Risks Affecting Specific Issuers**

The value of a debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may include a variety of factors, including but not limited to management issues or other corporate disruption, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position. Any adverse developments affecting the specific issuer of the securities in which the Fund has invested, such as management problems or competitive disadvantages, could result in a decrease in the value of the Underlying Fund Shares. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any reduction in value of the Underlying Fund Shares could have an adverse effect on the value of and return on the Certificates.

**(v) Emerging Markets Risk**

Where the Fund invests in securities issued by an entity domiciled in an emerging market or developing country it will be exposed to a higher level of risk than is usual in other cases. In particular, each of the risks discussed below will be specifically relevant to any such investments and may have a greater likelihood of impacting on the Fund:

**(A) Political and/or Regulatory Risks**

The value of the assets attributable to the Fund may be affected by uncertainties such as national, regional or international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. The variety of geopolitical and economic uncertainties in the regions where investments are made together with the lack of robust legal, accounting, and auditing standards in the investment regions could lead to a

reduction in the value of the Underlying Fund Shares due to insufficient investor protection or inadequate information. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any reduction in value of the Underlying Fund Shares could have an adverse effect on the value of and return on the Certificates.

**(B) Custodial and Settlement Risk**

A Fund may invest in markets where the trading, settlement and custodial systems are not fully developed. The assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risks that may be more pronounced for investments in developing countries. Investments in underdeveloped market systems carry heightened risks due to less sophisticated trading, settlement, and custody processes, which can lead to increased vulnerability for the Fund's assets, and consequently, can negatively impact the value of the Underlying Fund Shares. As the value of the Certificates is linked to the value of the Underlying Fund Shares, Certificateholders face the risk of potential loss in value of their Certificates, especially in developing countries where these market systems are more susceptible to operational issues and financial instability.

**(C) Currency Risk**

The assets of the Fund may be denominated in a currency other than the base currency of the Fund and changes in the exchange rate between the base currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the base currency. It may not be possible or practical to hedge against such exchange rate risk. The manager of the Fund may, but is not obliged to, mitigate this risk by using financial instruments. Therefore, investments held by the Fund in currencies other than its base currency expose the Underlying Fund Shares to currency fluctuation risks, thereby potentially reducing the value of the Underlying Fund Shares. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any reduction in value of the Underlying Fund Shares could have an adverse effect on the value of and return on the Certificates.

**(D) Accounting, Auditing and Financial Reporting Standards**

The accounting, auditing and financial reporting standards of many of the countries in which a Fund invests may be less extensive than those applicable to Irish companies. The potentially lower standards of accounting, auditing, and financial reporting in certain investment regions may lead to less transparency regarding the valuation of Underlying Fund Shares, therefore increasing the risk of inaccuracy in their valuation. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any uncertainty relating to the valuation of the Underlying Fund Shares could increase the degree of uncertainty relating to the value of their Certificates, which could potentially have an adverse effect on their perceived and actual value.

**(E) Exchange Control and Repatriation Risk**

It may not be possible for the Fund to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. The Fund could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Exchange control or repatriation risk could be relevant for the Fund that invests in emerging markets or which invests during extraordinary market



conditions such as a sovereign debt crisis as a result of which there is an increased risk that the markets in which the Fund invests introduces restrictions on the repatriation of funds or where regulations are introduced affecting the process for settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions. If the Fund faces restrictions on repatriating funds, this could adversely affect the value of the Underlying Fund Shares. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any reduction in value of the Underlying Fund Shares could have an adverse effect on the value of and return on the Certificates.

(vi) **Risks relating to inflation-linked bonds**

Inflation is the general increase in prices and fall in the purchasing value of money over time. Due to the impact of inflation, the same amount of money will buy fewer goods and services over time.

The real return (or yield) on an investment in securities may be reduced by inflation. Consequently, the higher the rate of inflation, the lower the real yield on a security will be. If the inflation rate is equal to or greater than the yield under a security, the real yield a holder of such security will achieve will be zero or even negative. Accordingly, inflation may have a negative effect on the value of and return on the securities.

The Fund can invest in inflation-linked securities. Inflation-linked securities are designed to provide protection against inflation. The principal and interest payments of such securities are typically adjusted to reflect changes in an inflation index, thereby mitigating the erosion of purchasing power that inflation causes. However, if inflation deviates significantly from expectations or if the adjustments do not fully compensate for the actual rate of inflation, the real yield on inflation-linked securities can be adversely affected. If the Fund decides to invest in inflation-linked securities, and such securities do not fully compensate for actual inflation rates, the value of the Underlying Fund Shares could be adversely affected. As the value of the Certificates is linked to the value of the Underlying Fund Shares, prospective investors should be aware that any reduction in value of the Underlying Fund Shares could have an adverse effect on the value of and return on the Certificates.

## **5 Risks Relating to the Transaction Parties**

(a) **Risks relating to the Swap Agreement and the Counterparty**

In the circumstances specified in the Swap Agreement entered into by the Company in connection with the Certificates, the Company or the Counterparty may terminate the outstanding Swap Transaction under the Swap Agreement in whole. The Company will be entitled to terminate the outstanding Swap Transaction under the Swap Agreement in whole upon the occurrence of an event of default (as such events are more particularly described in the Swap Agreement) in relation to the Counterparty, provided that it is acting on the instructions of the Trustee or without instruction by the Trustee if deemed to do so in connection with an early redemption of the Certificates. The Counterparty will be entitled to terminate upon the occurrence of an event of default (as such events are more particularly described in the Swap Agreement) in relation to the Company.

The Company and the Counterparty may be able to terminate:

- i. upon the occurrence of an illegality;
- ii. upon the occurrence of certain tax-related events;
- iii. upon the failure of the Company to pay any amounts or otherwise comply with its obligations under the Certificates;

- iv. upon the occurrence of a default or certain other tax-related events in respect of the Underlying Fund Shares or part thereof (or, in certain circumstances, in respect of the Company);
- v. upon the occurrence of certain regulatory events (including, without limitation, the Swap Transaction under the Swap Agreement being required to be cleared through a central clearing counterparty or additional risk mitigation measures being imposed with respect to it; the Counterparty needing to maintain a Swap Transaction under the Swap Agreement through a different legal entity; any imposition of a financial transaction tax or similar; the Company, the Counterparty or certain related parties becoming an alternative investment fund manager by virtue of their involvement with the Certificates and/or the Swap Agreement; or the Counterparty or the Company being materially and adversely restricted in their ability to perform their obligations under the Swap Agreement or being required to post additional collateral to any person) caused by a relevant law (and relevant law for this purpose includes any arrangements the Counterparty or any of its Affiliates entered into with any regulatory agency regarding legal entity structure or location with regard to, *inter alia*, the United Kingdom's prospective or actual departure from the European Union); or
- vi. if a payment obligation under the Swap Agreement that would otherwise have been denominated in euro ceases to be denominated in euro or it would be unlawful, impossible or impracticable for the payer to pay, or the payee to receive, payments in euro, all as more particularly described in the Swap Agreement, provided that the Company may only terminate the outstanding Swap Transaction under a Swap Agreement if it is acting on the instructions of the Trustee or without instruction by the Trustee in connection with an illegality or if deemed to do so in connection with an early redemption of the Certificates. Any termination of the Swap Transaction under a Swap Agreement will generally result in a corresponding redemption in whole of the Certificates. Upon any such redemption, the amount paid to Certificateholders to redeem such Certificates may be significantly less than the Certificateholder's original investment in such Certificates and may be zero.

The Certificateholders are relying not only on the creditworthiness of the Underlying Fund Shares, but also on the creditworthiness of the Counterparty in respect of the performance of its obligations to make payments pursuant to any Swap Agreement for such Certificates. Under the Swap Agreement, the Counterparty will pay to the Company amounts equal to the interest payments payable under the Certificates (which the Company will use to fund the interest amounts payable under the Certificates). Default by the Counterparty may result in termination of the Swap Agreement and, in such circumstances, any amount due to the Company upon such termination may not be paid in full. As a result of the termination of the Swap Agreement, the Certificates will redeem early and there is no assurance that upon any such early redemption the funds available will be sufficient to pay in full the amounts that holders of the Certificates would expect to receive if the Certificates redeemed in accordance with their terms on their Maturity Date or that such holders will receive back the amount they originally invested (*See the risk factor entitled "Early redemption of Certificates"*).

(b) **Risks relating to the Credit Support Annex**

The Company will also enter into a Credit Support Annex with the Counterparty in respect of the Certificates. Such Credit Support Annex provides for credit support to be provided by the Counterparty to the Company, as specified in the Pricing Conditions. The Credit Support Annex shall form part of the Swap Agreement.

Under the Credit Support Annex the Counterparty may have to post Counterparty Posted Collateral to the Company from time to time if the value of the Swap Transaction to the Company is positive. Counterparty Posted Collateral transferred to the Company under the Credit Support Annex may

be subject to volatility in their prices and subject to credit and liquidity risks. No investigations, searches or other enquiries will be made by or on behalf of the Company in respect of the Counterparty Posted Collateral and no representations or warranties, express or implied, are or will be given by the Company or any other person to Certificateholders in relation to any Counterparty Posted Collateral.

Due to fluctuations in the value of the Swap Transaction and of the value of any Counterparty Posted Collateral and to the thresholds and minimum transfer amounts in the Credit Support Annex, the value of the Counterparty Posted Collateral at any time may not be sufficient to cover the amount that would otherwise be payable by the Counterparty on termination of the Swap Agreement.

The Company is exposed to movements in the value of the Swap Transaction, the Counterparty Posted Collateral, and to the creditworthiness of the Counterparty and any obligor of Eligible Credit Support (VM).

The value of the Swap Transaction to the Company and the value of the related Counterparty Posted Collateral may increase or decrease from time to time during the term of the Certificates. If the value of the Swap Transaction to the Company increases and/or the value of the Counterparty Posted Collateral decreases, the Company may demand the transfer to it of additional Eligible Credit Support (VM). In such circumstances there may be a period prior to the transfer of the additional Eligible Credit Support (VM) in which the value of the assets transferred to the Company under the Credit Support Annex is less than the amount that would be payable by the Counterparty to the Company if the Swap Agreement were to terminate. The value of the assets transferred to the Company under the Credit Support Annex may also be less than the Company's exposure to the Counterparty if the additional Eligible Credit Support (VM) is not transferred to the Company when required.

Investing in the Certificates will not make an investor the owner of any cash or securities comprising the Counterparty Posted Collateral. Any amounts payable on the Certificates will be made in cash and the holders of the Certificates will have no right to receive delivery of any securities comprising the Counterparty Posted Collateral.

Investors should also note that the Credit Support Annex contains provisions that enable the Company to deliver a notice that items that then comprise eligible collateral under the Credit Support Annex will cease to be eligible. Such notice can be delivered if the Company determines that the relevant items either have ceased to satisfy, or as of a specified date will cease to satisfy, collateral eligibility requirements under laws applicable to the recipient of such collateral requiring the collection of variation margin. Any non-eligible credit support will be given a zero value.

(c) **Certificateholders have no direct ownership interest or right to delivery of the Counterparty Posted Collateral**

Investing in the Certificates will not make an investor the owner of any cash or securities comprising the Counterparty Posted Collateral. Any amounts payable on the Certificates will be made in cash and the holders of the Certificates will have no right to receive delivery of any securities comprising the Counterparty Posted Collateral.

(d) **SFTR (Article 15) Title Transfer Collateral Arrangements Risk Disclosure**

The Company has entered into the Credit Support Annex in respect of the Certificates. The Credit Support Annex constitutes a "title transfer collateral arrangement" (as defined in Article 2(1) of Directive 2002/47/EC under EU SFTR (as defined below) and regulation 3 of the Financial Collateral Arrangements (No.2) Regulations 2003 under UK SFTR (as defined below)) (each such arrangement, a "**Title Transfer Arrangement**") with a counterparty (as the "**Title Transfer Counterparty**").

Under (i) Article 15 of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (as amended from time to time) (“**EU SFTR**”) and (ii) Article 15 of EU SFTR as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK SFTR**”, and together with EU SFTR, “**SFTR**”), the transferee of securities under any Title Transfer Arrangement is required to inform the transferor of such securities of the general risks and consequences that may be involved in entering into a Title Transfer Arrangement. Such risks are detailed below and are also relevant for Certificateholders even though they will not be directly party to any Title Transfer Arrangement, particularly in circumstances where the Company is a transferor of securities under a Title Transfer Arrangement.

In the section below, the person that transfers securities under a Title Transfer Arrangement is referred to as the “**Transferor**”, the person to whom such securities are transferred is referred to as the “**Transferee**” and the securities so transferred are referred to as the “**Securities Collateral**”.

(i) **Loss of proprietary rights in Securities Collateral**

The rights, including any proprietary rights, that a Transferor has in Securities Collateral transferred to a Transferee will be replaced (subject to any security granted by the Transferee) by an unsecured contractual claim for delivery of equivalent Securities Collateral, subject to the terms of the Title Transfer Arrangement. If the Transferee becomes insolvent or defaults under the Title Transfer Arrangement, the Transferor’s claim for delivery of equivalent Securities Collateral will not be secured and will be subject to the terms of the Title Transfer Arrangement and applicable law. Consequently, the Transferor may not receive such equivalent Securities Collateral (although the Transferor’s exposure may be reduced to the extent that its liabilities to the Transferee under such Title Transfer Arrangement can be netted or set-off against the obligation of the Transferee to deliver equivalent Securities Collateral to the Transferor).

Upon transfer of the Securities Collateral by the Title Transfer Counterparty, the Company’s obligations to transfer equivalent Securities Collateral in respect of the Title Transfer Arrangement, amongst other things, will be secured by the Mortgaged Property in respect of the Certificates. The Title Transfer Counterparty will not have any proprietary rights in the Securities Collateral transferred to the Company. If the Company defaults under the Title Transfer Arrangement, although the Title Transfer Counterparty’s claim for delivery of equivalent Securities Collateral will benefit from security granted by the Company, the Title Transfer Counterparty’s claim for delivery of equivalent Securities Collateral will, as a result of the applicable payment waterfall, be subordinated to prior ranking claims of certain other Secured Parties in respect of the Mortgaged Property. Consequently, the Transferor may not receive the equivalent Securities Collateral (although the Transferor’s exposure may be reduced to the extent that its liabilities to the Transferee under such Title Transfer Arrangement can be netted or set-off against an obligation on the Transferee to deliver equivalent Securities Collateral to the Transferor).

(ii) **Stay of proceedings following resolution process**

See “*Resolution of Financial Institutions*” above for information on the consequences of a resolution process being instituted against the Title Transfer Counterparty.

(iii) **Loss of voting rights in respect of Securities Collateral**

The Transferor in respect of any Securities Collateral will not be entitled to exercise, or direct the Transferee to exercise any voting, consent or similar rights attached to the Securities Collateral.

(iv) **No information provided in respect of Securities Collateral**

The Transferee will have title to any Securities Collateral and may or may not continue to hold such Securities Collateral and as such it will have no obligation to inform the Transferor of any corporate events or actions in relation to any Securities Collateral.

(e) **Limited Liability of Transaction Parties**

In certain circumstances (see, for example, "*Risks Relating to the Broker*" and "*Risks Relating to the Calculation Agent*"), a Transaction Party may take or not take certain actions set out in the Conditions or the Transaction Documents and its liability towards Certificateholders or any other Transaction Party for any losses or liabilities caused by doing so may be excluded. This generally includes (without limitation), in respect of each Transaction Party, any losses or liabilities arising from the exercise of any of its rights or the performance of any of its duties in accordance with the terms of the relevant Transaction Document and any reliance by it on the opinion or advice of, or information received from, any expert. In addition, a Transaction Party's liability may be excluded in the following circumstances (which are non-exhaustive):

- (i) in respect of the Trustee, any enforcement of the Security or any act or default of the Trustee in relation to the Security, any issues encountered by the Trustee in relation to the validity, sufficiency or enforceability of the Security, any exercise or non-exercise of the Trustee of its functions or investment powers, any actions taken in connection with the occurrence of any redemption event, any actions by the Custodian, Broker, or any custodian, agent, delegate or nominee appointed by the Trustee, any reliance by the Trustee on certain certificates provided by the Company following the occurrence of a Regulatory Requirement Event and any reliance by the Trustee upon Extraordinary Resolutions;
- (ii) in respect of the Custodian, any actions by a delegate of the Custodian (in connection with the Custody Agreement), any Clearing System, exchange, broker or third party, any actions taken or not taken by the Custodian in certain circumstances on Instructions from, or appearing to be from, an Authorised Representative of the Company, the Broker, the Trustee or the Counterparty and any failure by the Custodian to notify certain parties of certain changes in its credit rating;
- (iii) in respect of the Agents, any reliance by the relevant Agent on any Certificate, Certificate or other document reasonably believed to be genuine; and
- (iv) in respect of the Administrator, any failure by the Administrator to comply with any instruction, request or advice, any non-receipt by the Administrator of, or lack of authority of any person in relation to, any instruction, request or advice and any investments made by the Administrator in accordance with instructions or guidelines given by the board of directors of the Company.

If Certificateholders suffer any loss or receive a lower return in respect of their investment in the Certificates arising from a Transaction Party's actions or omissions, such exclusions of liability may limit the rights of redress for Certificateholders by denying them recourse against the relevant Transaction Party.

(f) **Risks relating to the Custodian**

The ability of the Company to meet its obligations with respect to the Certificates will be dependent upon receipt by the Company of payments from the Custodian under the Custody Agreement for the Certificates. Consequently, the Certificateholders are relying not only on the creditworthiness of the Outstanding Assets, but also on the creditworthiness of the Custodian in respect of the performance of its obligations under the Custody Agreement, subject to any relevant provisions or

arrangements intended to provide that the Outstanding Assets comprising Counterparty Posted Collateral in the form of securities held with the Custodian are not beneficially owned by the Custodian and therefore would not be available to its creditors on any insolvency of the Custodian.

If there is an overpayment in respect of Outstanding Assets comprising Counterparty Posted Collateral held in the Custodian's account with a clearing system that leads to a subsequent clawback of such overpayment via the relevant clearing system, the Custodian may seek to recover the corresponding payments made in respect of the Certificates or may retain amounts payable in respect of the Certificates in order to recover the amount of such clawback.

Any cash deposited with the Custodian by the Company and any cash received by the Custodian for the account of the Company will be held by the Custodian as banker and not as trustee and will be a bank deposit. Accordingly, such cash will not be held as client and will represent only an unsecured claim against the Custodian's assets.

**(g) Risks Relating to the Principal Paying Agent**

Any payments made to Certificateholders in accordance with the terms and conditions of the Certificates will be made by the Principal Paying Agent on behalf of the Company. Pursuant to the Agency Agreement, the Company is to transfer to the Principal Paying Agent such amount as may be due under the Certificates, on or before each date on which such payment in respect of the Certificates becomes due.

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

**(h) Risks relating to the Broker**

**(i) Liquidation**

Where the Certificates are to be redeemed as a result of a redemption being triggered prior to the Maturity Date or where the Company fails to pay any amount owing on the Maturity Date, the Broker is generally required to sell or otherwise liquidate the Underlying Fund Shares by way of sale or redemption during a period known as the Liquidation Period. The Liquidation Period will generally be a period of 15 Payment Business Days.

The Broker is permitted to effect such liquidation at any time or at different times during the Liquidation Period or in stages in respect of smaller portions, but may not delay the liquidation beyond the Liquidation Period, and will not have any liability for if a higher price could have been obtained had such sale taken place at a different time during or after such Liquidation Period and/or had or had not been effected in stages in respect of smaller portions, except to the extent caused by the Broker's own gross negligence, fraud or wilful misconduct.

If the Broker has not been able to sell or otherwise liquidate all the relevant assets within the Liquidation Period (as extended by any Broker Replacement Event), the Broker must sell the relevant assets at its expiry irrespective of the price obtainable and regardless of such price being close to or equal to zero.

The Broker shall not be required to take any further action if the Broker determines, acting in good faith and in a commercially reasonable manner, that there has been a Liquidation Failure Event. A Liquidation Failure Event means that the Broker determines, acting in good faith and in commercially reasonable manner, that it is not permitted under applicable laws or under its internal policies having general application or it is otherwise not possible or practicable for the relevant assets to be liquidated by the Broker on behalf of the Company as required by the Conditions other than by reason of the nature or status of the relevant transferee. The Broker shall not be liable for the effect of any Liquidation Failure Event.

(ii) **Resignation following loss of licence**

If, for whatever reason, the Broker ceases to have any licence that it considers necessary to perform its role, it may resign its appointment at any time without giving any reason by giving the Company at least 60 days' notice to that effect. The Company will be required to appoint a replacement institution to take its place. Arranging for, and appointing, any such replacement may delay any required liquidation of the Underlying Fund Shares and related payments on the Certificates.

(i) **Risks relating to the Calculation Agent**

(i) **Limited liability of Calculation Agent**

All calculations and determinations made by the Calculation Agent shall (save in the case of manifest error) be final and binding on the Company, the Trustee, the agents appointed under the Agency Agreement and the Certificateholders. In making any calculation or determination in respect of the Certificates, or delivering any notice in respect of the Certificates or exercising any discretion, the Calculation Agent assumes no responsibility or liability to anyone other than the Company for whom it acts as agent. In particular, it assumes no responsibility to Certificateholders, the Trustee or any other persons in respect of its role as Calculation Agent and, without limitation, shall not be liable for any loss (whether a loss of profit, loss of opportunity or consequential loss), cost, expense or any other damage suffered by any such person.

In addition, the Calculation Agent shall not be liable to the Company for any errors in calculations or determinations made by it in respect of the Certificates, or any failure to make, or delay in making, any calculations or determinations in the manner required of it by the Conditions save that the Calculation Agent shall be liable to the Company (but not to any other person or persons, including Certificateholders and the Trustee) where such error, failure or delay arose out of its bad faith, fraud or gross negligence, as described in more detail in the Conditions.

Where the Calculation Agent, (acting in good faith and in a commercially reasonable manner) determines that, as a result of market disruption, force majeure, systems failure or any other event of an analogous nature, it is unable to make a calculation or determination in the manner required by the Conditions, then the Calculation Agent shall not be liable for failure to make such calculation or determination in the required manner, except to the extent caused by the Calculation agent's own gross negligence, fraud or wilful misconduct.

Where the Calculation Agent (acting in good faith and in a commercially reasonable manner) determines that (i) it has not received the necessary information from any person or other source that is expected to deliver or provide the same pursuant to the Conditions or any Related Agreement which means that it is unable to make a determination required of it in accordance with the Conditions or the provisions of a Related Agreement and/or (ii) one or more provisions (including any mathematical terms and formulae) contained in the

Conditions or any Related Agreement appear to the Calculation Agent (taking into account the context of the transaction as a whole and its background understanding) to be erroneous on the basis that it is impossible to make such calculation or that such provisions produce a result that, in the opinion of the Calculation Agent, is economically nonsensical, the Calculation Agent shall be permitted to make its determination on the basis of the provisions of the Conditions or such Related Agreement but may make such amendments thereto as, in its opinion, are necessary to cater for relevant circumstances falling under (i) and/or (ii) above, provided always that in so doing the Calculation Agent acts in good faith and in a commercially reasonable manner.

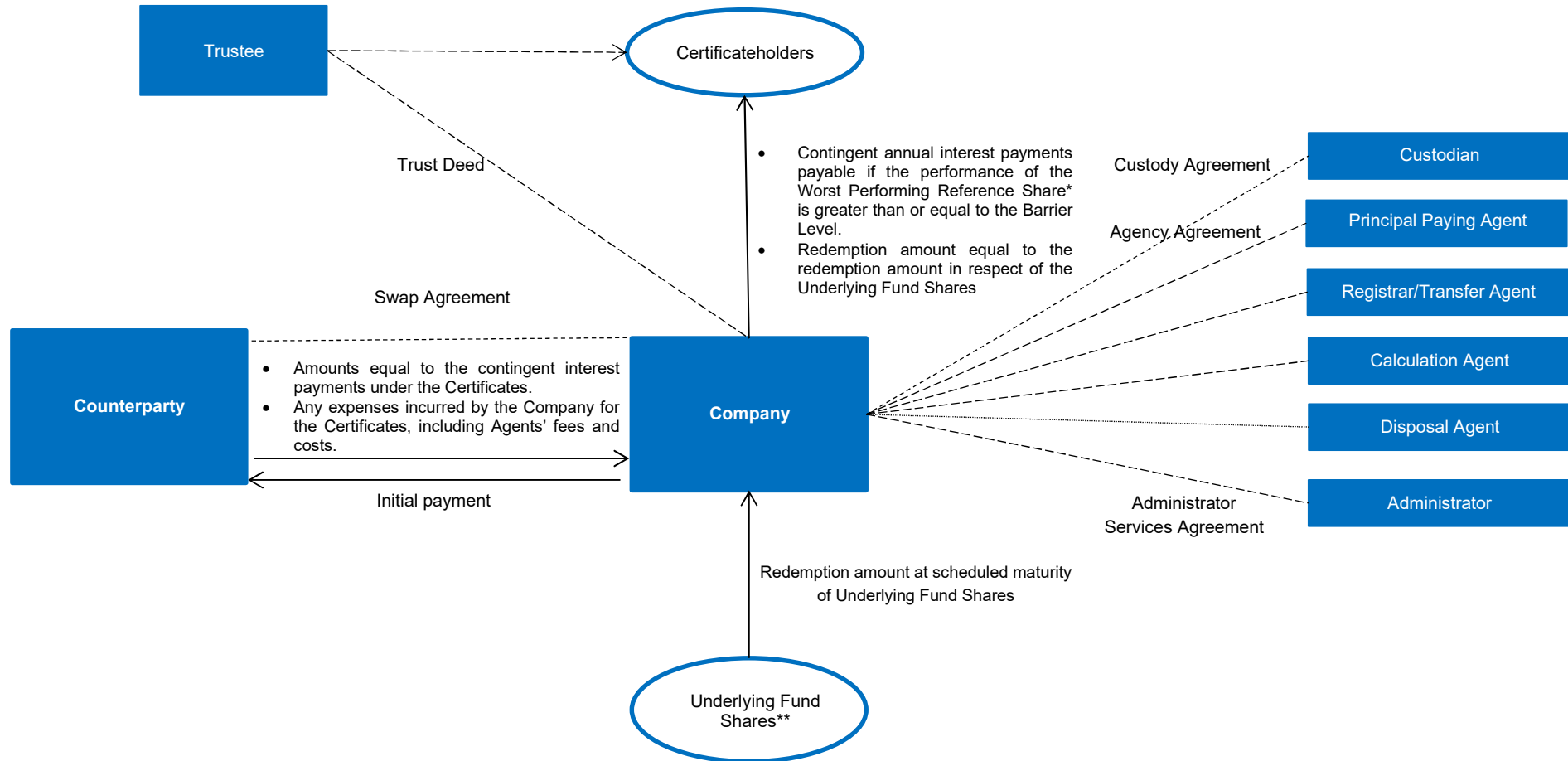
(j) **Systemic Risk**

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



## TRANSACTION STRUCTURE DIAGRAM

The diagram below is intended to provide an overview of the structure of the transaction. Prospective Certificateholders should also review the detailed information set out elsewhere in this Prospectus for a description of the transaction structure and relevant cashflows prior to making any investment decision. In the diagram below dotted lines represent contractual relationships and solid lines represent cashflows.



\* "Worst Performing Reference Share" means, in respect of any Valuation Date, the worst performing Reference Share amongst the basket of Reference Shares. The Reference Shares serve solely for determining if any interest payments are payable under the Certificates and are not held by the Company or any Transaction Party. If on the Valuation Date prior to any Specified Interest Payment Date the performance of the Worst Performing Reference Share is less than the Barrier Level, then no interest amount will be payable in respect of the Certificates by the Company on such Specified Interest Payment Date.

\*\* "Underlying Fund Shares" means the up to EUR 100,000,000 of Class A Shares in Smart Global Defence Zero Coupon Fineco AM Fund, a sub-fund of FAM SERIES UCITS ICAV, due 30 June 2028 held by the Company.

## CONFLICTS OF INTEREST

### General

J.P. Morgan SE (“**JPMSE**”), J.P. Morgan Securities plc (“**JPMS plc**”) and any of their Affiliates are acting in a number of capacities in connection with the issue of the Certificates. JPMS plc and any of their Affiliates acting in such capacities in connection with the transactions described herein in respect of such issue of the Certificates shall have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and shall not, by virtue of their or any other Affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. JPMSE, JPMS plc or any of their Affiliates in their various capacities in connection with the contemplated transactions may enter into business dealings, including the acquisition of the Certificates, from which they may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor.

JPMSE, JPMS plc and any of their Affiliates may from time to time be in possession of certain information (confidential or otherwise) and/or opinions with regard to (i) the Fund or (ii) any Reference Share which information and/or opinions might, if known by a Certificateholder, affect decisions made by it with respect to its investment in the Certificates. Notwithstanding this, none of JPMSE, JPMS plc or any of their Affiliates shall have any duty or obligation to notify the Certificateholders or the Company, the Arranger, the Broker, the Dealer, the Trustee, the Counterparty, the Custodian or any other Agent, or any Affiliate of any of them (including any directors, officers or employees thereof), of such information and/or opinions.

JPMSE, JPMS plc and any of their Affiliates may deal in any Reference Share or Underlying Fund Shares and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the obligors of the Reference Shares or the Fund and may act with respect to such transactions in the same manner as if the relevant Swap Agreement and Certificates did not exist and without regard to whether any such action might have an adverse effect on any Reference Share or the obligor thereof, the issuer of the Underlying Fund Shares, the Company or the holders of the Certificates.

JPMSE, JPMS plc and any of their Affiliates may at any time be active and significant participants in or act as market maker in relation to a wide range of markets for currencies, instruments relating to currencies, securities and derivatives. Activities undertaken by JPMSE, JPMS plc and any of their Affiliates may be on such a scale as to affect, temporarily or on a long-term basis, the price of such currencies, instruments relating to currencies, securities and derivatives or securities and derivatives based on, or relating to the Certificates or the Underlying Fund Shares or any Reference Share. Notwithstanding this, none of JPMSE, JPMS plc or any of their Affiliates shall have any duty or obligation to take into account the interests of any party in relation to any Certificates when effecting transactions in such markets.

One or more of the J.P. Morgan Companies may:

- (i) have placed or underwritten, or acted as a financial arranger, structuring agent or adviser in connection with the original issuance of, or may act as a broker or dealer with respect to certain obligations relating to the Reference Shares and/or the Underlying Fund Shares;
- (ii) act as trustee, paying agent and in other capacities in connection with certain obligations relating to the Reference Shares or the Underlying Fund Shares or other classes of securities issued by an issuer of, or obligors with respect to, the Reference Shares or the Underlying Fund Shares or an affiliate thereof;
- (iii) be a counterparty to issuers of, or obligors with respect to, certain obligations relating to any of the Reference Shares or the Underlying Fund Shares under swap or other derivative agreements;

- (iv) lend to certain of the issuers of, or obligors with respect to, certain obligations relating to any of the Reference Shares or the Underlying Fund Shares or their respective Affiliates or receive guarantees from such issuers, obligors or their respective Affiliates;
- (v) provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of, or obligors with respect to, certain obligations relating to the Reference Shares or the Underlying Fund Shares or their respective Affiliates; or
- (vi) have an equity interest, which may be a substantial equity interest, in certain issuers of, or obligors with respect to, the Reference Shares or the Underlying Fund Shares or their respective Affiliates.

When acting as a trustee, paying agent or in other service capacities with respect to certain obligations relating to the Reference Shares and/or the Underlying Fund Shares, any of the J.P. Morgan Companies may be entitled to fees and expenses senior in priority to payments on such obligations relating to the Reference Shares and/or the Underlying Fund Shares. If acting as a trustee for other classes of securities issued by the Reference Share Issuers or the Fund or an affiliate thereof, it will owe fiduciary duties to the holders of such other classes of securities, which classes of securities may have differing interests from the holders of the class of securities of which any of the Reference Shares or the Underlying Fund Shares is a part and may take actions that are adverse to the holders (including the Company) of the class of securities of which any of the Reference Shares or the Underlying Fund Shares is a part. As a counterparty under swaps and other derivative agreements, any of the J.P. Morgan Companies may take actions adverse to the interests of the Company, including, but not limited to, demanding collateralisation of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, any of the J.P. Morgan Companies may take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the issuers of, or obligors with respect to, certain obligations relating to the Reference Shares and/or the Underlying Fund Shares in bankruptcy or demanding payment on a loan guarantee or under other credit enhancement. As a result of all such transactions or arrangements between the J.P. Morgan Companies and issuers of, and obligors with respect to, certain obligations relating to the Reference Shares and/or Underlying Fund Shares or their respective Affiliates, the J.P. Morgan Companies may have interests that are contrary to the interests of the Company and the Certificateholders.

## **Counterparty**

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

## COMMONLY ASKED QUESTIONS

This section is intended to answer some of the questions which investors may have when considering an investment in the Certificates. However, any decision to invest in the Certificates should only be made after careful consideration of all relevant sections of this Prospectus and the Conditions. This section should be treated as an introduction to the Company and the terms of the Certificates. It is not intended to be a substitute for, nor a summary of, the Conditions.

Capitalised terms shall have the meanings given to them in the Conditions.

### Contents of Commonly Asked Questions

1. What documents do you need to read in respect of the issuance of the Certificates?
2. Who is the Company?
3. What does the Company do with the issue proceeds of the Certificates?
4. What are the Outstanding Charged Assets, Counterparty Posted Collateral, Outstanding Assets and Mortgaged Property?
5. Do Certificateholders have recourse to particular assets of the Company?
6. Who will be the Counterparty?
7. What happens if the Counterparty defaults?
8. Under what circumstances may the Certificates be redeemed before their stated maturity?
9. What is the interest payable under the Certificates?
10. What is the Early Redemption Amount?
11. What is the order of priority?
12. How much of your investment is at risk?
13. Who is the "Certificateholder"?
14. What rights do Certificateholders have against the Company?
15. What are the requirements for exercising Certificateholders' rights in respect of the Certificates?
16. How do you exercise a right to vote or enforce your rights in respect of the Certificates?
17. Who can enforce rights against the Company if the Company has failed to make a payment on the Certificates?
18. How are payments made to you?
19. When are payments made to investors?
20. Who calculates the amounts payable to you?
21. Are the Calculation Agent's determinations binding on you?
22. Will you be able to sell your Certificates?
23. What will be the price of the Certificates in such circumstances?
24. Are there any fees, expenses or taxes to pay when purchasing, holding or selling Certificates? What other taxes might affect the Certificates?

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| 25. Can the Company amend the conditions of Certificates once they have been issued without your consent? |
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## Questions

### 1. What documents do you need to read in respect of the issuance of the Certificates?

You must read this Prospectus in conjunction with all documents which are incorporated herein by reference.

*What information is included in this Prospectus?*

This Prospectus contains general information about the Certificates which are issued under the Programme. In particular, it contains the master terms and conditions of the Certificates in the section entitled “*Master Conditions*” and the Pricing Conditions for the Certificates in the section entitled “*Pricing Conditions*”. The Master Conditions must be read together with the applicable Pricing Conditions for the Certificates.

This Prospectus discloses information about the Reference Shares to which the interest amounts payable in respect of the Certificates are linked in the section of the Prospectus entitled “*Description of Reference Shares*”. It also contains information about the Underlying Fund Shares and the Fund in the section of the Prospectus entitled “*Description of the Fund and the Underlying Fund Shares*”.

In addition, this Prospectus discloses information about the Company in the section of the Prospectus entitled “*Description of the Company*”.

This Prospectus discloses information about the terms and conditions of the offer in the section of the Prospectus entitled “*Terms and Conditions of the Offer*”. It also includes restrictions about who can buy such Certificates and risk factors relating to the Company and the Certificates issued under this Programme.

It also contains certain tax information, although you should always seek specialist advice which has been tailored to your circumstances.

*What information is included in the Pricing Conditions?*

While the Master Conditions include general information about all Certificates, the Pricing Conditions sets out the specific details of this particular issuance of Certificates. The Pricing Conditions amend, supplement and/or complete the Master Conditions and contain, for example, the issue date, the maturity date and the methods used to calculate the redemption amount and any interest payments, as well as any other terms applicable to these particular Certificates.

### 2. Who is the Company?

The Company is a special purpose entity whose only business is to issue debt securities such as the Certificates and to enter into related transactions. The directors of the Company may be employees of the administrator of the Company, which may also act as the share trustee and the secretary of the Company. The Company is not an affiliate or a subsidiary of any J.P. Morgan entity, and its obligations are not guaranteed by any other party.

### 3. What does the Company do with the issue proceeds of the Certificates?

The Company will use part of the issue proceeds of the Certificates to purchase the Underlying Fund Shares. The Underlying Fund Shares are specified in the Pricing Conditions of the Certificates.

In addition, as specified in the Pricing Conditions of the Certificates, the Company will enter into a Swap Agreement with the Counterparty and will use the remaining part of the issue proceeds to make an initial payment to the Counterparty under the Swap Agreement.

The Underlying Fund Shares are referred to as the “Outstanding Charged Assets”.

The Outstanding Charged Assets and the Swap Agreement will generally be the only assets available to the Company to fund its payment obligations under the Certificates. The payments under such assets (both to and from the Company) will be designed to ensure that the Company has sufficient funds to meet its payment obligations under the Certificates and to meet any related payment obligations.

**4. What are Outstanding Charged Assets, Counterparty Posted Collateral, Outstanding Assets and Mortgaged Property?**

As described above, the Underlying Fund Shares are known as the Outstanding Charged Assets.

The Company and the Counterparty will enter into a Credit Support Annex, pursuant to which the Counterparty is required to provide collateral to the Company for its obligations under the Swap Agreement. Any such collateral posted by the Counterparty under the Credit Support Annex from time to time is referred to as “Counterparty Posted Collateral”.

“Outstanding Assets” is used in the Conditions to refer to the Underlying Fund Shares and the Counterparty Posted Collateral.

“Mortgaged Property” is used in the Conditions to refer to the Underlying Fund Shares, the charged rights under the Agency Agreement, Custody Agreement and the Swap Agreement and any assets, property, income, rights and/or agreements from time to time charged to the Trustee securing the Certificates.

**5. Do Certificateholders have recourse to particular assets of the Company?**

The Certificateholders and the other Transaction Parties will have recourse to the Mortgaged Property for the Certificates. The Mortgaged Property includes the Underlying Fund Shares and the Company’s rights under the Swap Agreement.

You should note that the Certificateholders and the other Transaction Parties will have recourse *only* to the Mortgaged Property in respect of the relevant Certificates and not to any other assets of the Company. Certificateholders’ claims (and those of other Transaction Parties) will be limited to the Mortgaged Property and subject to the order of priority referred to below. If the Mortgaged Property is not sufficient to meet Certificateholders’ claims and those of all the other relevant parties, the Mortgaged Property will be used to meet claims according to a specified order of priority. Amounts owing to the Counterparty under the Swap Agreement, and certain other sums payable to certain Transaction Parties, will be paid before Certificateholders. If there is no Mortgaged Property left after paying them, Certificateholders will not be paid.

**6. Who will be the Counterparty?**

The Counterparty to the Swap Agreement is J.P. Morgan SE.

The original Counterparty may be substituted in the circumstances described in the Conditions.

**7. What happens if the Counterparty defaults?**

See paragraph 8(iv) (*‘Under what circumstances may the Certificates be redeemed before their stated maturity? – Counterparty Default or Insolvency’*) below.

**8. Under what circumstances may the Certificates be redeemed before their stated maturity?**

The Certificates may be redeemed prior to their stated maturity in any of the following circumstances and in any additional circumstance that may be specified in the relevant Pricing Conditions:

(i) Charged Assets Default

If the Fund defaults on its obligations in respect of the Underlying Fund Shares, fails to pay any amount of principal or interest in respect of the Underlying Fund Shares on a scheduled date (including due to an early redemption or repayment), or becomes insolvent, that will constitute an Event of Default for the purposes of the Certificates. As a result, the Trustee may require the Certificates to become due and repayable at their Early Redemption Amount. The Trustee is required to do so if requested by the requisite number of Certificateholders and otherwise may do so at its discretion (provided that, in each case, it has been indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities). If the Trustee does not require the Certificates to become due and repayable within 30 days of the date on which the relevant Event of Default occurred and such Event of Default is continuing after such period, the Certificates shall automatically become due and repayable on the Early Redemption Date at their Early Redemption Amount without further action by the Trustee.

(ii) Certain Tax Events

If any of the Underlying Fund Shares are called for redemption or repayment prior to their scheduled maturity date as a result of any tax or associated reporting requirement being imposed, or if tax will be withheld or deducted from payments made to the Company, or if the Company will be required to pay any tax in respect of the payments it receives, the Certificates will be redeemed at the Early Redemption Amount.

In addition, if any Certificateholder fails to provide any documentation, information or waiver as may be required by the Company for the purpose of its compliance with any applicable law (including, without limitation, any Information Reporting Regime) or any agreement entered into by the Company pursuant thereto, the Company may, but shall not be required to, redeem the Certificates in respect of which the failure has occurred at their fair value (as determined by the Calculation Agent) and may liquidate, terminate and/or realise a proportionate part of the Mortgaged Property in such manner as it deems appropriate in the relevant circumstances.

In addition, in certain circumstances where the Company is or will be required to withhold or deduct an amount for tax in respect of any payments made by it under the Certificates or if it is subject to a tax charge or any law, regulation, regulatory requirement or double taxation convention or the interpretation or application thereof that would materially increase its operating or administrative costs or the costs of performing its obligations in respect of the Certificates (and such increased cost or increased operating or administrative cost, as the case may be, is beyond the control of the Company or the Calculation Agent), the Company shall use reasonable endeavours to change its place of residence or to transfer its obligations to another entity, so that the increased costs or tax would be avoided.

The Company will not be obliged to do so if the relevant tax or increased cost is in some way connected to the particular Certificateholder. The Company shall not be required to incur material costs in respect of such a change or transfer and will need to obtain the consent of, among others, the Counterparty. If no such change of residence or replacement of the Company with another entity occurs, the Certificates will be redeemed at their Early Redemption Amount.

(iii) Termination of Swap Agreement

If the Swap Agreement is terminated early, the Certificates will be redeemed at their Early Redemption Amount.

The section of this Prospectus titled “The Swap Agreement” describes the events that may lead to the termination of the Swap Agreement. These include certain payment defaults, breaches of agreement and insolvency as well as the occurrence of certain illegality, redenomination and force majeure events, certain tax-related events, certain regulatory events, notification by the Calculation Agent to the Company that the Certificates will be redeemed and certain amendments to the terms of the Certificates and the Transaction Documents when made without the Counterparty’s consent.

(iv) Market Value Early Redemption Event

If the Calculation Agent determines that the market value of the Certificates is less than, or equal to, the Market Value Threshold, the Company shall direct the redemption of the Certificates at their Early Redemption Amount.

(v) Redemption following a Fund Event

If the Calculation Agent determines that a Fund Event has occurred (being in summary, events which materially impact the business of the Fund, its management company or its service providers, including insolvency, a merger of the Fund, termination of the Fund, nationalisation of the Fund, and any fund extraordinary events (such as litigation involving the Fund, events which affect the calculation of the net asset value and performance of the Fund, or which affect the trading of the Fund, any operational failures, or other legal or regulatory constraints)) the Company shall direct the redemption of the Certificates at their Early Redemption Amount.

(vi) Extraordinary Event or Additional Disruption Event for any Reference Shares

If the Calculation Agent determines that an Extraordinary Event has occurred (being in summary events which materially impact the business of any Reference Share issuers, such as a merger event, a tender offer, the nationalisation of any of the relevant Reference Shares or assets of any of the Reference Share issuers, an insolvency filing or other similar proceedings affecting any of the Reference Share issuers which impact on the transferability of the Reference Shares or a delisting of the relevant Reference Shares on an exchange), the Calculation Agent may (a) either (i) make any adjustments to the terms of the Certificates that it determines are appropriate to account for the economic effect on the Certificates of such Extraordinary Event or (ii) replace the Reference Share with the Replacement Reference Share (as defined in Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions) and make any adjustments to the terms of the Certificates that it determines are appropriate to account for the economic effect on the Certificates of such Extraordinary Event and/or the replacement of the replaced Reference Shares. If the Calculation Agent determines that no adjustment that it could make under (i) or (ii) will produce a commercially reasonable result, then the Calculation Agent may deliver a notice to the Company requiring it to redeem the Certificates. If the Calculation Agent delivers a notice which requires a redemption of the Certificates, the Company shall direct the redemption of the Certificates at their Early Redemption Amount.

If the Calculation Agent determines that an Additional Disruption Event has occurred (being in summary, an event where due to a change in any applicable law, or a change in the interpretation of any applicable law, it has (or, it will, within the next 15 days prior to the maturity of the Certificates) become unlawful or illegal to hold, acquire or dispose of



Reference Shares or any of the Reference Share Issuers becomes subject to insolvency or similar proceedings), the Calculation Agent may either (i) make any adjustments to the terms of the Certificates that it determines are appropriate to account for the economic effect on the Certificates of such Additional Disruption Event or (ii) deliver a notice to the Company requiring it to redeem the Certificates. If the Calculation Agent delivers a notice which requires a redemption of the Certificates, the Company shall direct the redemption of the Certificates at their Early Redemption Amount.

(vii) **Events of Default**

The Certificates may be redeemed early upon the occurrence of certain defined Events of Default. These include a default (for a period of at least five business days) in the payment of any principal or interest due in respect of the Certificates, a failure by the Company to perform any of its other obligations in relation to the Certificates if such failure continues for 30 days after the Trustee gives notice to the Company requiring such failure to be remedied (or such longer period as the Trustee may permit), the insolvency of the Company and, as described under paragraph (i) "Charged Assets Default" above, a default on any Underlying Fund Shares or by their obligor. If an Event of Default occurs, the Trustee may at its discretion give notice that the Certificates are due and repayable on the Early Redemption Date at their Early Redemption Amount (subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities). The Trustee is required to give such notice if requested to do so by the requisite number of Certificateholders (provided that it has been indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities). If such notice is not given within 30 days of the date on which the relevant Event of Default occurred and the relevant Event of Default is continuing, the Certificates shall automatically become due and repayable on the Early Redemption Date at their Early Redemption Amount without further action by the Trustee.

**9. What is the interest payable under the Certificates?**

The payment of interest amounts by the Company in respect of any Interest Accrual Period is conditional on the performance of the Worst Performing Reference Share. If on the Valuation Date prior to any Specified Interest Payment Date the performance of the Worst Performing Reference Share amongst the basket of Reference Shares, determined by dividing the closing price of such Reference Share on such Valuation Date by the initial price of such Reference Share on the Initial Valuation Date, is greater than or equal to the Barrier Level, then an interest amount determined at a fixed rate of 5.00 per cent. per annum will be payable by the Company in respect of the Certificates on such Specified Interest Payment Date in respect of the related Interest Accrual Period. If, however, on such Valuation Date the performance of the Worst Performing Reference Share amongst the basket of Reference Shares is less than the Barrier Level, then no interest amount will be payable in respect of the Certificates by the Company on such Specified Interest Payment Date even if the performance of the other Reference Shares in the basket is not less than the Barrier Level.

**10. What is the Early Redemption Amount?**

The Early Redemption Amount payable to Certificateholders if the Certificates are redeemed prior to their stated maturity will generally be an amount equal to their share of (i) the lower of (a) the aggregate principal amount of the Certificates and (b) the proceeds of the sale or redemption of the Underlying Fund Shares plus (ii) any termination payment payable by the Counterparty to the Company in respect of the Swap Agreement (if any), and minus (iii) any termination payment payable by the Company to the Counterparty in respect of the Swap Agreement (if any) plus (iv) an amount, subject to a minimum of zero, equal to such proceeds of the redemption or sale of the

Underlying Fund Shares minus the aggregate principal amount of the Certificates and minus (v) any payments owed by the Company to any other Transaction Parties which rank in priority to the claims of Certificateholders.

*How are Outstanding Charged Assets liquidated?*

The Broker will liquidate (sell or otherwise turn into cash by requiring the Fund to redeem the Underlying Fund Shares by submitting a redemption request in respect of the Underlying Fund Shares on behalf of the Company to the Fund) the Outstanding Charged Assets on behalf of the Company over a 10 Payment Business Day period (or such shorter period as it determines), except for any Outstanding Charged Assets that are due to redeem in full during that period. However, no such liquidation will be affected if the Broker is not permitted to effect such liquidation under applicable laws or under its internal policies having general application or it is otherwise not possible or practicable for it to do so.

The Broker may sell to itself or to any affiliate of itself or the Counterparty (if different), provided that such sale is in accordance with the procedure prescribed in the Conditions and at a price which it believes to be a fair market price.

*What happens to assets posted under the Credit Support Annex (if applicable)?*

If the Counterparty has posted assets to the Company, then during the Liquidation Period the Broker will sell any such Counterparty Posted Collateral. The proceeds of such sale will be available to the Company to meet its payment obligations, and the termination payment due under the Swap Agreement will take into account the realisation value of that Counterparty Posted Collateral (to give the Counterparty credit for them). By way of example, if the termination amount under the Swap Agreement would be EUR 10,000,000 payable by the Counterparty to the Company but the Counterparty had transferred Counterparty Posted Collateral to the Company worth EUR 12,000,000 then on a termination the Company would owe the net sum of EUR 2,000,000 to the Counterparty.

*Who is the Broker?*

The Broker is J.P. Morgan Securities plc.

*What happens if the Outstanding Assets are not liquidated by the Early Valuation Date?*

If any Outstanding Assets have not been liquidated by the Early Valuation Date, including in circumstances where it is illegal, impossible or impracticable, or not permitted under its internal policies having general application, for the Broker to liquidate the relevant assets, the Company will be unable to pay the Early Redemption Amount in full on the Early Redemption Date. You will have to wait until such assets have been realised to receive amounts due on the Certificates and no additional interest shall be payable as a result of such delay. Any default in payment of the Early Redemption Amount on the Early Redemption Date (whether in full or in part) will be an Enforcement Event. This means that the Trustee can, and will if directed by the requisite number of Certificateholders or by the Counterparty (provided in each case that it has been indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities) take action to enforce the security over the Mortgaged Property. This may include a sale of the Outstanding Assets, which, where practicable, and if so elected by the Trustee, will be effected by the Broker on behalf of the Trustee. The proceeds of the enforcement will be distributed in accordance with the specified order of priority.

If any of the Outstanding Assets have not been liquidated by the Early Valuation Date, the Early Redemption Amount will be determined based on the fair market value (as determined by the Calculation Agent) of the relevant assets instead of sale proceeds. However, when those assets

have finally been realised (for example by or on behalf of the Trustee), if the Early Redemption Amount that would have been calculated using such actual proceeds is greater than the Early Redemption Amount that was calculated using such fair market value, the Company shall owe the difference to the Certificateholders. If the actual realisation proceeds are less than the fair market value used to determine the Early Redemption Amount, you will receive less than the Early Redemption Amount.

*When is the Early Valuation Date and when is the Early Redemption Date?*

The Early Valuation Date is the date as of which the Calculation Agent will determine the Early Redemption Amount in respect of the Certificates. The Early Redemption Date is the date on which the Early Redemption Amount will become due and payable. Unless specified otherwise in the Pricing Conditions, the Early Valuation Date is the day falling five Payment Business Days before the Early Redemption Date.

The Early Redemption Date will depend on the timing of the liquidation of the Outstanding Charged Assets. It will generally be the seventh Payment Business Day following the date on which the Company notifies the Calculation Agent and Counterparty of the receipt in full of the liquidation proceeds, but with a long-stop date falling 20 Payment Business Days after the first day of the liquidation period for the Outstanding Charged Assets. Where the early redemption is caused by an early redemption of the Outstanding Charged Assets, the relevant liquidation period begins on the Payment Business Day prior to the early redemption date of such assets. Otherwise, the liquidation period generally begins when the Company gives notice of the early redemption of the Certificates or when the Trustee gives notice declaring the Certificates due and payable following an Event of Default.

*How will the termination payment under the Swap Agreement be calculated?*

The termination payment under the Swap Agreement will be based on the value, to the determining party, of the Swap Agreement as at the Early Termination Date (determined on the Early Valuation Date or as soon as reasonably practicable thereafter), taking into account all of the amounts that would have been payable by each party if the swap had not terminated. This amount could be negative (in which case the termination payment would be made by the determining party) or positive (in which case the termination payment would be made by the other party). The termination payment will usually be calculated by the Counterparty, unless the Counterparty's default triggered the termination of the Swap Agreement.

**11. What is the order of priority?**

If the Certificates redeem early, or if there is a default at maturity (whether in respect of the Outstanding Assets, by the Company or the Counterparty, or otherwise), or if there is an enforcement of security then the proceeds of the Mortgaged Property will be applied in accordance with a specified order of priorities. In such order of priorities, the claims of other creditors of the Company in respect of the Certificates will be met before the claims of the Certificateholders. Amounts paid in priority to the Certificateholders include, among other things, (i) payments due to the Trustee, (ii) payments due to the Counterparty under the Swap Agreement (if any) and (iii) any payments due to the Custodian and/or the Principal Paying Agent. The Mortgaged Property is the only property the Company has from which to meet the claims in respect of the Certificates. As a result of other claims having priority to those of the Certificateholders, this means there may not be enough cash for the Company to meet its obligations to Certificateholders (whether in full or at all).

**12. How much of your investment is at risk?**

The final redemption amount payable in respect of each Certificate is expressed to be an amount in EUR determined by the Calculation Agent equal to (i) EUR 1,000 (being 100 per cent. of such

Certificate's principal amount) plus (ii) subject to a minimum of zero, such Certificate's *pro rata* share of the aggregate redemption amount comprised of cash in respect of the Underlying Fund Shares payable on their maturity date minus the aggregate principal amount of the Certificates. The redemption amount payable in respect of the Underlying Fund Shares on their maturity date will be dependent on the net asset value per Underlying Fund Share at the time. If the value of the Underlying Fund Shares does not move in the anticipated direction and at maturity is less than the principal amount of the Certificates, although the final redemption amount in such circumstances is expressed to be an amount equal to the principal amount of each Certificate, Certificateholders' claims in respect of such amount will be subject to the limited recourse provisions in respect of the Certificates. This means that Certificateholders will have recourse only to the Mortgaged Property in respect of the payment of the final redemption amount under the Certificates, which will be an amount that is less than the principal amount of the Certificates, and not to any other assets of the Company and therefore the amount payable on the maturity date may be less than your original investment and may even be zero.

In addition, you should note that even in cases where you are entitled to receive 100 per cent. or more of the principal amount of the Certificates, you will still be exposed to the credit risk of the Fund and to the credit risk of the Custodian, the Principal Paying Agent, the Paying Agent(s) and the Counterparty to the Swap Agreement. If there is default on those assets, or by the Custodian, the Principal Paying Agent, the Paying Agent(s) or the Counterparty under the Swap Agreement, you are highly likely to lose some or all of your money.

**13. Who is the "Certificateholder"?**

As the Certificates are held through a clearing system, the legal "Certificateholder" will be the entity nominated by the clearing system as the depositary for the Certificates (known as the common depositary). Such entity will hold the Certificates for the benefit of the clearing systems. As an investor, your rights in relation to the Certificates will be governed by the contract you have with your broker, custodian or other entity through which you hold your interest in the Certificates and the contracts they have with the clearing system and any intermediaries in between. Accordingly, where this Prospectus describes a right as being owed to, or exercisable by, a Certificateholder then your ability to benefit from or exercise such right will be dependent on the terms of the contracts in such chain.

**14. What rights do Certificateholders have against the Company?**

Certificateholders' rights include the right to any payments payable to Certificateholders in accordance with the Conditions. Certificateholders may also have the right to make certain determinations or decisions (which may sometimes be required to be by a resolution of Certificateholders or which may simply require a direction in writing by a specified percentage of Certificateholders) and the Company may only take certain actions with respect to the Certificates if approved by Certificateholders. Certificateholders should note that, notwithstanding they may be owed payments under the Certificates, their rights of direct action against the Company are limited as the right to take such action is generally instead vested in the Trustee (see Question 16 below).

The Certificates are secured obligations of the Company and rank equally with each other.

**15. What are the requirements for exercising Certificateholders' rights in respect of the Certificates?**

The Conditions specify the requirements for exercising each right in respect of the Certificates, including the person (if any) that is entitled to enforce such right on behalf of the Certificateholders and the required percentage of Certificateholders (if any) that may direct such person to enforce such right. For example, the Conditions specify that only the Trustee may exercise the right to

enforce the Security on behalf of Certificateholders if a default in payment by the Company has occurred. The Certificateholders may direct the Trustee to exercise such rights by way of an Extraordinary Resolution. An "Extraordinary Resolution" means a resolution passed at a duly convened meeting by a majority consisting of not less than 75 per cent. of the votes cast at such meeting.

In certain circumstances, where the Certificates are held on behalf of a clearing system, the Company will be entitled to rely upon approval of a resolution proposed by the Company or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communication systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Certificates for the time being outstanding, and neither the Company nor the Trustee will be liable or responsible to anyone for such reliance.

In other circumstances where electronic consent is not being sought, Certificateholders may also pass written resolutions on matters relating to the Certificates without calling a meeting. A written resolution signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Certificates will be deemed to be an Extraordinary Resolution. For the purpose of determining whether a written resolution has been validly passed, the Company and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Company and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to the Certificates and/or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries), provided that the Company and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment and provided that reasonable steps shall include the obtaining of an undertaking from the accountholder and/or beneficiary, as applicable, that they will not transfer any or all of such holding prior to the earlier of (i) the effecting of such amendment and (ii) a specified long-stop date. Any resolution passed in such manner shall be binding on all Certificateholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "**commercially reasonable evidence**" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, and/or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Certificates. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal amount of the Certificates is clearly identified together with the amount of such holding. Neither the Company nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Such a written resolution or an electronic consent described in the previous paragraphs may be effected in connection with any matter affecting the interests of Certificateholders that would otherwise be required to be passed at a meeting of Certificateholders and shall take effect as an Extraordinary Resolution. These provisions permit defined majorities to bind all Certificateholders including Certificateholders who did not attend and vote at the relevant meeting or in respect of the relevant resolution (or participate in the written resolution or electronic consent, as the case may be) and Certificateholders who voted in a manner contrary to the majority (either in a meeting or by written resolution).

**16. How do you exercise a right to vote or enforce your rights in respect of the Certificates?**

As rights under the Certificates can only be exercised by the legal Certificateholders (see '*Who is the "Certificateholder"?*'), you must contact the custodian, broker or other entity through which you hold your interest in the Certificates if you wish for any vote to be cast or direction to be given on your behalf.

**17. Who can enforce your rights against the Company if the Company has failed to make a payment on the Certificates?**

The Company has executed a Trust Deed in respect of the Certificates which is governed by English law, under which it has covenanted to the Trustee that it will make the relevant payments due on the Certificates. The Trustee holds the benefit of this covenant for Certificateholders. If the Company fails to make a payment when due, only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Certificateholders, unless the Trustee fails or neglects to do so within a reasonable time after having become bound to do so and such failure is continuing.

**18. How are payments made to you?**

As the Certificates are held through a clearing system, payments will be made in accordance with the contract you have with your broker, custodian or other entity through which you hold your interest in the Certificates.

**19. When are payments made to investors?**

Payments of principal and, if applicable, interest or other amounts are made on the dates specified in the Pricing Conditions.

**20. Who calculates the amounts payable?**

Determinations will be made by the Calculation Agent. The Calculation Agent will be J.P. Morgan Securities plc.

The Calculation Agent is an agent of the Company and not of the Certificateholders. You should also be aware that the Calculation Agent is an affiliate of the Arranger, the Dealer and the Counterparty. See the section entitled "*Conflicts of Interest*" on page 48 of this Prospectus.

The calculation agent under the Swap Agreement is responsible for performing the calculations and determinations required under the Swap Agreement in good faith and in a commercially reasonable manner. If the calculation agent under the Swap Agreement is insolvent or is affected by certain termination events, the Calculation Agent will make these calculations and determinations instead.

**21. Are the Calculation Agent's determinations binding on you?**

All calculations and determinations made by the Calculation Agent in relation to the Certificates will be final and binding (except in the case of manifest error).

**22. Will you be able to sell your Certificates?**

A market may not develop for the Certificates. While the Dealer may make a market in the Certificates upon their issuance, it is under no obligation to do so and may cease to do so at any time. Even if the Dealer does make a market in the Certificates, there is no guarantee that a secondary market will develop or, to the extent that a secondary market does exist, that such market will provide the holders of any such Certificates with liquidity or will continue for the life of the Certificates. You should therefore be prepared to hold your Certificates until their repayment date.

The Certificates are subject to certain transfer restrictions and, in such case, will only be capable of being transferred to certain transferees under certain circumstances (see the section entitled

“*Transfer Restrictions*” of this Prospectus below). Such restrictions on the transfer of Certificates may further limit their liquidity.

**23. What will be the price of the Certificates in such circumstances?**

The market value of the Certificates will be affected by a number of factors, including, but not limited to (i) the value and volatility of the Underlying Fund Shares and the creditworthiness of the Fund, (ii) the value and volatility of the Reference Shares, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the maturity date and (v) the nature and liquidity of the Swap Agreement. Any price at which Certificates may be sold prior to the maturity date may be at a discount, which could be substantial, to the value at which the Certificates were acquired on the issue date.

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

**24. Are there any fees, expenses or taxes to pay when purchasing, holding or selling Certificates? What other taxes might affect the Certificates?**

You may incur fees and expenses in relation to the purchase, holding, transfer and sale of Certificates. A management fee of up to 2.00% per annum will accrue daily and be calculated on the net asset value per Underlying Fund Share. In respect of the offering of the Certificates, up to 3.00% of the Issue Price of the Certificates, will be charged by, and payable to, FinecoBank S.p.A. of Piazza Durante 11, Milan 20131, Italy in its capacity as distributor of the Certificates. For the avoidance of doubt, neither the Company nor the Counterparty shall be liable to pay any subscription fees.

You should also be aware that stamp duties or taxes may have to be paid in accordance with the laws and practices of the country where the Certificates are transferred.

You should note that, if the Company or the Registrar or any Transfer Agent or any Paying Agent is required by applicable law to apply any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature, it will account to the relevant authorities for the amount so required to be withheld or deducted and only pay the net amount after application of such withholding or deduction. None of the Company, any Paying Agent, Registrar or Transfer Agent will be obliged to make any additional payments to you in respect of such withholding or deduction.

If a tax is imposed on payments to the Company in respect of the Underlying Fund Shares or the Swap Agreement, or on payments from the Company to the Counterparty under the Swap Agreement, the Certificates will generally be redeemed at their Early Redemption Amount.

You should consult your selling agent for details of fees, expenses, commissions or other costs and your own tax advisers in order to understand fully the tax implications specific to investment in any Certificates.

**25. Can the Company amend the Conditions of Certificates once they have been issued without your consent?**

The Company may amend the Conditions of the Certificates without the consent of the Certificateholders if:

- (i) the Trustee determines that the relevant amendment is of a formal, minor or technical nature or is made to correct a manifest error or is not materially prejudicial to the interests of the Certificateholders in accordance with the terms of the Trust Deed. Any such determination shall be binding on the Certificateholders;
- (ii) the Calculation Agent determines that such amendments are required in order to account for the correction of any prices published on the relevant exchange in respect of any Reference Share and used to make any calculations or other determinations in connection with the Certificates;
- (iii) the Calculation Agent determines that a Potential Adjustment Event (as defined in Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions) has occurred in respect of a Reference Share which has a diluting or concentrative effect on the theoretical value of such Reference Share and such amendments are required to account for such diluting or concentrating effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Reference Share);
- (iv) such amendments are required in order to cause (a) the transactions contemplated by the Conditions and the Transaction Documents to be compliant with all Relevant Regulatory Laws, (b) the Company and each Transaction Party to be compliant with all Relevant Regulatory Laws or (c) the Company and each Transaction Party to be able to continue to transact future business (as issuer of Certificates or as a transaction party to the Company pursuant to the Programme) in compliance with all Relevant Regulatory Laws;
- (v) the Calculation Agent determines that an Extraordinary Event (as defined in Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions) has occurred in respect of a Reference Share and (i) such amendments are necessary to account for the economic effect on the Certificates of such Extraordinary Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to such Reference Share or the Certificates) or (ii) such amendments constitute the replacement of such Reference Share with a Replacement Reference Share (as defined in Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions) or are necessary in order to account for the economic effect on the Certificates of such Extraordinary Event and/or the replacement of the Reference Share with a Replacement Reference Share (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to such Reference Share or the Certificates);
- (vi) the Calculation Agent determines that an Additional Disruption Event (as defined in Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions) has occurred in respect of a Reference Share and such amendments are appropriate to account for the economic effect on the Certificates of such Additional Disruption Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to such Reference Share or to the Certificates);

and, in the case of paragraphs (ii) to (vi) above, subject to the satisfaction of additional requirements set out in the Conditions.



Any amendment pursuant to the paragraphs (i) to (vi) above shall (I) in the case of an amendment pursuant to paragraph (i) above, be notified to the Certificateholders as soon as practicable, unless the Trustee agrees otherwise and (II) in the case of an amendment pursuant to paragraphs (ii) to (vi) above, be notified to Certificateholders as soon as practicable.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the articles of association of the Company dated 5 January 2024, as amended on 25 January 2024 (the “**Articles**”) and the audited financial statements of J.P. Morgan SE for the years ended 31 December 2022 and 31 December 2021.

A copy of the Articles can be found at the registered address of the Company at Block A, George’s Quay Plaza, George’s Quay, Dublin 2, Ireland and on the Company’s website at: <https://defensivecificatesplc.com/wp-content/uploads/2024/02/Defensive-Certificates-PLC-Constitution-2.pdf>.

The audited financial statements of J.P. Morgan SE for the years ended 31 December 2022 and 31 December 2021 are available at <https://www.jpmorgan.com/content/dam/jpm/global/disclosures/de/english-version-of-disclosures/2022-annual-report-english.pdf> and [https://www.jpmorgan.com/content/dam/jpm/global/disclosures/de/2021\\_annual\\_report\\_english.pdf](https://www.jpmorgan.com/content/dam/jpm/global/disclosures/de/2021_annual_report_english.pdf) respectively.

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

## **OVERVIEW OF THE POTENTIAL FOR DISCRETIONARY DETERMINATIONS BY THE COMPANY, THE TRUSTEE, THE CALCULATION AGENT, THE BROKER OR THE COUNTERPARTY**

Under the terms and conditions of the Certificates and/or the Transaction Documents, following the occurrence of certain events, the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty (as applicable) may exercise discretion to take one or more actions available to it in order to deal with the impact of such events on the Certificates, the Underlying Fund Shares or the Swap Agreement. Any such discretionary determination by the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty could have a negative impact on the value of and return on the Certificates and (amongst other things) could result in their early redemption.

This overview provides a high-level summary of the main types of events that could give rise to a discretionary determination by the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty and the actions available to them to deal with the impact of such events.

This overview does not purport to be complete or comprehensive. A prospective purchaser of the Certificates should read the Conditions of the Certificates set out in the sections of this Prospectus entitled “*Master Conditions*” and “*Pricing Conditions*”.

Terms used but not defined in this section have the meaning given to them in the Conditions.

### **1 What are the main types of events that could give rise to a discretionary determination by the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty?**

The main types of events are:

- 1.1 events affecting the Certificates;
- 1.2 events affecting the Underlying Fund Shares; and/or
- 1.3 events affecting the Swap Agreement.

### **2 If such an event occurs, what are the discretionary determinations that the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty may take?**

Broadly, the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty (as applicable) may take one or more of the following actions in order to deal with the effect of the events outlined below.

#### **2.1 Events affecting the Certificates**

##### **2.1.1 Adjustments:**

- (i) **Regulatory Requirement Event.** If the Calculation Agent determines that a Regulatory Requirement Event (as described further in paragraph 8 below) has occurred, the Calculation Agent may propose modifications that it determines are required to be made to the Conditions or any Transaction Document to ensure compliance with Relevant Regulatory Laws, following which the Company will, without the consent of the Certificateholders, make such modifications if they are agreed to by the relevant parties, including the Trustee, provided that such amendments will not (among other things) (a) amend the dates or amounts for payment under the Certificates; (b) exchange or substitute the Underlying Fund Shares; or (c) have a material adverse effect on the validity, legality or enforceability of the Security or its priority and ranking.

- (ii) **Calculation Agent adjustments.** The Calculation Agent may determine that (a) it is unable to make a determination required of it due to non-receipt of necessary information from any person or other source; and/or (b) one or more provisions contained in the Conditions or any Related Agreement (taking into account the context of the transaction as a whole and its background understanding) are erroneous as it would be impossible or economically nonsensical to apply such provision. If it makes this determination, then the Calculation Agent may make such amendments to the Conditions or Related Agreement as are necessary in its opinion to cater for such circumstances.
- (iii) **Trustee consent to modifications or waiver.** If (a) in the opinion of the Trustee, any modification to the Trust Deed or any Related Agreement is of a formal, minor or technical nature or is made to correct a manifest error; or (b) any modification, waiver or authorisation of a proposed breach of the Trust Deed or any Related Agreement is not, in the opinion of the Trustee, materially prejudicial to the interests of the Certificateholders, and, in each case, such modification, waiver or authorisation does not require an Extraordinary Resolution, the Trustee may agree to such modification, waiver or authorisation without the consent of Certificateholders.

#### 2.1.2 Early Redemption:

- (i) **Increased Tax Event.** If the Company is or satisfies the Trustee on reasonable grounds that it will be subject to an Increased Tax Event (as described further in paragraph 8 below), the Company will use reasonable endeavours to change its place of residence for taxation purposes or effect a substitution of the principal debtor under the Certificates, subject to certain conditions (as applicable). If it is unable to change its place of residence or effect such substitution, the Company will redeem the Certificates.
- (ii) **Holder Information Reporting Compliance Default.** If the Company reasonably determines that a Holder Information Reporting Compliance Default (as described further in paragraph 8 below) may cause a payment received or payable by the Company to be subject to a deduction or withholding or cause the Company to suffer a penalty, in each case, pursuant to an Information Reporting Regime, the Company will redeem the Certificates.
- (iii) **Waiver of Events of Default.** The Trustee may, without consulting Certificateholders, determine that an event which would otherwise be an Event of Default will not be so treated and the Certificateholders will not be able to rely on such event to accelerate, or require the Trustee to accelerate, the Certificates.
- (iv) **Market Value Early Redemption Event.** If the Calculation Agent determines that a Market Value Early Redemption Event (as described further in paragraph 8 below) has occurred, the Company will redeem the Certificates.

#### 2.1.3 Miscellaneous actions:

- (i) **Reference Share event adjustments or early redemption:**
  - (a) **Correction of prices.** If a price for a Reference Share that was previously published on the relevant exchange and used to make any calculations or other determinations in connection with the Certificates is subsequently corrected and such correction is published on the exchange by the earlier of (i) one Settlement Cycle (as defined in Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions) after the original publication and (ii) two

Business Days before a payment by the Company is due or a determination in respect of the Certificates may have to be made, then the Calculation Agent may make any determination in connection with the Certificates after taking into account such correction and make any adjustments to the terms of the Certificates that it determines are necessary to account for such correction.

- (b) **Potential Adjustment Events:** If the Calculation Agent determines that a Potential Adjustment Event (as described further in paragraph 8 below) in respect of a Reference Share has occurred which has a diluting or concentrating effect on the theoretical value of the relevant Reference Share, the Calculation Agent may make any adjustments to the terms of the Certificates that it determines are appropriate to account for such diluting or concentrating effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Reference Share).
  - (c) **Extraordinary Events:** If the Calculation Agent determines that an Extraordinary Event (as described further in paragraph 8 below) in respect of a Reference Share has occurred, the Calculation Agent may either (i) make any adjustments to the terms of the Certificates that it determines are appropriate to account for the economic effect on the Certificates of such Extraordinary Event or (ii) replace the Reference Share with the Replacement Reference Share (as defined in Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions) and make any adjustments to the terms of the Certificates that it determines are appropriate to account for the economic effect on the Certificates of such Extraordinary Event and/or the replacement of the replaced Reference Shares. If the Calculation Agent determines that no adjustment that it could make under (i) or (ii) will produce a commercially reasonable result, then the Calculation Agent will notify the Company and the Company will redeem the Certificates.
  - (d) **Additional Disruption Events:** If the Calculation Agent determines that an Additional Disruption Event (as described further in paragraph 8 below) has occurred in respect of a Reference Share, the Calculation Agent may either (i) make any adjustments to the terms of the Certificates that it determines are appropriate to account for the economic effect on the Certificates of such Additional Disruption Event or (ii) notify the Company of the occurrence of such Additional Disruption Event, following which the Company will redeem the Certificates.
- (ii) **Trustee Related Liabilities.** The Trustee will only be required to take certain actions in respect of the Certificates, the Underlying Fund Shares and the Swap Agreement if it first determines that it has been indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities, which include any costs, liabilities and losses which are or might be levied, properly incurred or otherwise suffered by the Trustee in connection with the performance or non-performance of its functions in respect of such action. These actions include taking any action which may involve personal liability or expense to the Trustee, enforcing the Security, accelerating the Certificates, enforcing repayment of any amounts due, exercising any voting or other rights in respect of any Charged Assets, convening a meeting of Certificateholders or agreeing to any amendments to the Conditions, the Swap Agreement or any other Transaction Documents following the occurrence of a Regulatory Requirement Event

(as referred to in paragraph 2.1.1(i)) or to enable the Company to comply with applicable Information Reporting Regimes.

- (iii) **Custodian Replacement.** The Company may appoint a replacement Custodian at any time in accordance with the terms of the Custody Agreement, subject to: (a) the replacement Custodian satisfying certain criteria as to its business, incorporation, regulation or credit rating; (b) the Counterparty providing prior written consent; and (c) security being granted in favour of the Trustee over the Company's rights under the replacement Custody Agreement.
- (iv) **Foreign Exchange Rate determination.** If the Calculation Agent is required to determine (a) any Priority Payments due to Secured Parties in priority to Certificateholders, for the purposes of applying the proceeds of the Mortgaged Property or (b) any Early Redemption Amount, it will convert amounts not denominated in the Relevant Currency (i.e. the currency in which the Certificates are denominated) into the Relevant Currency at the Foreign Exchange Rate. If "Mean FX Rate" is specified in the applicable Pricing Conditions as the "Foreign Exchange Rate", the Calculation Agent will request quotations from five major market makers in the currency markets for the rate at which it would perform such conversion but, if the Calculation Agent does not receive any quotations, JPMS plc, in its capacity as market maker in the currency markets, may determine the rate in its sole discretion.
- (v) **Disagreement with Swap Agreement calculation.** If the Counterparty disagrees, or the Company has reasonable grounds for anticipating such disagreement, with a calculation made in respect of the Swap Agreement upon a Swap Agreement Termination, the Company, prior to a Company Application Date, or the Trustee, prior to a Trustee Application Date, may (a) require that it be indemnified, secured and/or pre-funded (in the case of the Trustee, to its satisfaction against all Related Liabilities) in respect of any payment that might be required to be made to the Counterparty should the relevant determination be incorrect; and/or (b) make such retention as seems reasonable to it to provide for payments that might be required to be made by the Company should the relevant determination be incorrect.

## 2.2 Events affecting the Underlying Fund Shares

### 2.2.1 Liquidation:

- (i) **Conduct of Liquidation.** Following the occurrence of a Liquidation Event (as described further in paragraph 8 below), the Broker may take such steps as it considers appropriate to effect an orderly realisation of the Underlying Fund Shares within the Liquidation Period (so far as is practicable in the circumstances and including, without limitation, effecting such realisation at any time or in smaller portions), provided that (a) it may not delay the Liquidation beyond the Liquidation Period and (b) where assets or rights are to be sold, the Broker will request quotes from at least five major market makers for the purchase of the relevant assets and will sell at the highest price quoted (provided that the Broker reasonably believes such quote to be representative of the price available in the market).
- (ii) **Liquidation Failure Event.** The Broker may determine that it is not permitted under applicable laws or under its internal policies having general application to, or it is not possible or practicable for, the Underlying Fund Shares to be Liquidated by the Broker on behalf of the Company, other than by reason of the nature or status of the relevant transferee. Following such determination, the Broker is not required to take further action to realise the Underlying Fund Shares.

- (iii) **Actual Currency Proceeds.** If, when calculating the Actual Currency Proceeds for the purposes of calculating any Early Redemption Amount, any Underlying Fund Shares have not been realised by the Early Valuation Date, the Calculation Agent will determine the fair market value of the Underlying Fund Shares that have not been realised (after deduction of any taxes that would have been payable and any costs or charges that would have been incurred by the Company and the Broker by virtue of the realisation of such assets).

#### 2.2.2 Early Redemption:

- (i) **Charged Assets Default.** If the Company or the Counterparty determines that any information reasonably confirms any of the facts relevant to the determination of a Charged Assets Default (as described further in paragraph 8 below), then the Company or the Counterparty will notify the Trustee and such Charged Assets Default will constitute an Event of Default in respect of the Certificates (following which the Certificates can be accelerated).
- (ii) **Fund Event.** If the Calculation Agent determines that a Fund Event (as described further in paragraph 8 below) has occurred, the Calculation Agent will notify the Company, following which the Company will redeem the Certificates.

### 2.3 Events affecting the Swap Agreement

#### 2.3.1 Adjustments:

- (i) **Adjustments following a Swap Agreement Transfer Rights Event transfer.** Where the Swap Agreement has been transferred by the Counterparty to another entity as referred to in paragraph 2.3.3(i) below, the Company and the Counterparty may agree amendments to be made to the Swap Agreement to reflect any differences between the transferor and transferee in terms of jurisdiction of establishment or incorporation, legal or regulatory position or entity type or structure (but the Swap Agreement will otherwise remain in substantially the same form).
- (ii) **Adjustments following adjustments to the Certificates.** If the Calculation Agent determines that any amendments should be made to the Conditions, the Swap Agreement or any other Transaction Documents following the occurrence of a Regulatory Requirement Event as referred to in paragraph 2.1.1(i) above, the Company and the Counterparty may, without the consent of the Trustee or the Certificateholders, make such adjustments to the Swap Transaction as the Counterparty determines necessary or appropriate to align the Swap Transaction with the amendments made to the Conditions or to implement the proposed amendments relating to the Swap Agreement.

#### 2.3.2 Swap Agreement Termination:

- (i) **Additional Termination Events.** If an Additional Termination Event (as described further in paragraph 8 below) has occurred, then the Counterparty may terminate the outstanding Swap Transaction under the Swap Agreement. Following the occurrence of certain of these Additional Termination Events i.e. a Certificates Event of Default, a Charged Assets Redemption Event, a Charged Assets Tax Event, an Increased Tax Event (each as described further in paragraph 8 below), and if so instructed by the Trustee, the Company may also terminate the outstanding Swap Transaction (and the Company will be deemed, in each case, to have delivered a notice of termination if the Certificates are also due to redeem early pursuant to the Conditions following the occurrence of such event and the Counterparty has been notified of this).

- (ii) **Swap Agreement Events of Default.** If a Swap Agreement Event of Default (as described further in paragraph 8 below) has occurred in respect of the Company or the Counterparty, the non-defaulting party may terminate the outstanding Swap Transaction under the Swap Agreement, although the Company may only do so with the prior written consent of the Trustee. In addition, if a Swap Agreement Event of Default has occurred in respect of the Counterparty due to the occurrence of certain bankruptcy events in respect of it and the Company has not terminated the outstanding Swap Transaction under the Swap Agreement within 30 calendar days of the occurrence of such event, the Counterparty may terminate the outstanding Swap Transaction under the Swap Agreement.

### 2.3.3 Miscellaneous actions:

- (i) **Counterparty transfer.** Following the occurrence of a Swap Agreement Transfer Right Event (as described further in paragraph 8 below), the Counterparty may, subject to certain conditions (as applicable), transfer its rights and obligations under the Swap Agreement to an Affiliate of JPMSE with a rating, or a credit support provider with a rating, not less than that of the Counterparty (an “**Eligible J.P. Morgan Transferee**”).
- (ii) **Termination Events leading to transfer or termination.** If the Company or the Counterparty, as applicable, determines that a Swap Termination Event (as described further in paragraph 8 below) has occurred:
  - (a) (x) in respect of an Illegality or Tax Event affecting either party, the non-affected party, or (y) in respect of a Tax Event Upon Merger affecting the Counterparty, the Company, may, in each case within 30 days of receiving notice from the affected party as to the occurrence of such event and following a failure by the affected party, having used reasonable efforts, to effect such a transfer within 20 days of providing notice of the occurrence of such event, transfer its rights and obligations under the Swap Agreement in respect of any affected Swap Transactions (subject to certain conditions, including the consent of the Trustee) to, in the case of the Company, any other entity or, in the case of the Counterparty, any Eligible J.P. Morgan Transferee, in each case so that such event ceases to exist; or
  - (b) all outstanding Swap Transactions under the Swap Agreement may be terminated (x) in respect of a Tax Event affecting either party or a Tax Event Upon Merger affecting the Counterparty, immediately by the Counterparty; (y) in respect of an Illegality where either party is the affected party and following the failure of such affected party to effect a transfer of its rights and obligations under the Swap Agreement within 20 days of providing notice of the occurrence of such event, by the Counterparty; or (z) in respect of an Illegality where the Company is the only affected party and following its failure to effect a transfer of its rights and obligations under the Swap Agreement within 20 days of providing notice of the occurrence of such event, by the Company.
- (iii) **Close-out Amount determination.** For the purposes of calculating the Close-out Amount relating to any Early Termination Amount in respect of the termination of any Swap Transaction under the Swap Agreement, the Counterparty or, where the Counterparty is the defaulting party, the Calculation Agent in respect of the Certificates on behalf of the Company may, when determining the Close-out Amount (a) consider any relevant information, including, without limitation, quotations for replacement transactions from third parties, relevant market data or information from internal



sources if that information is of the same type used by it in the regular course of its business for the valuation of similar transactions; and (b) include its costs of funding.

- (iv) **Default Rate or Non-default Rate determination.** For the purposes of determining the rate of interest payable on overdue amounts by a party under the Swap Agreement in certain circumstances, the party determining the relevant Close-out Amount will determine the rate by reference to the rate offered by a major bank in the relevant interbank market for overnight deposits in the applicable currency, as selected by such determining party for the purpose of obtaining a representative rate reasonably reflecting prevailing market conditions.
- (v) **Transfer of Early Termination Amount.** If the Company or the Counterparty (a) is a defaulting party under the Swap Agreement and is obliged to pay an Early Termination Amount to the other party or (b) fails to pay an Early Termination Amount payable by it when due or during any applicable grace period, then the party to whom such amount is owed may transfer its interest in such amount to another entity.

### **3 Why is it necessary for the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty to make such discretionary determinations following the occurrence of such events?**

The investment objective of the Certificates is to allow an investor to make a return on an investment with the Company, which is secured by the Underlying Fund Shares held by the Company and the Company's rights under the Swap Agreement and where the scheduled amounts of interest and principal payable under the Certificates will be funded by the scheduled cashflows in respect of the Underlying Fund Shares and the Swap Agreement. If the Underlying Fund Shares or the Swap Agreement are materially impacted by an unexpected event (for example, the occurrence of a Regulatory Requirement Event), then it may not be possible to maintain the investment objective of the Certificates based on the original terms and conditions of the Certificates or the Swap Agreement and there may be a need to make certain discretionary determinations in order to preserve the original economic objective and rationale of the Certificates.

Discretionary determinations may also be required, for example (i) before the Trustee will take certain actions, (ii) in relation to amendments of a formal, minor or technical nature or which are not materially prejudicial to Certificateholders, (iii) in relation to the replacement of the Custodian, (iv) to determine the Foreign Exchange Rate for the purposes of calculating any Relevant Currency Proceeds, (v) in relation to the Liquidation process, (vi) to determine the Close-out Amount for the purposes of calculating any Early Termination Amount under the Swap Agreement or (vii) in anticipation of issues funding amounts due under the Swap Agreement.

The exercise of discretions in many cases will allow the Certificates and the Swap Agreement to continue and avoid the need to redeem them early (for example, with respect to the Counterparty's right to transfer its rights and obligations under the Swap Agreement following the occurrence of a Swap Agreement Transfer Right Event, an Illegality, Tax Event or Tax Event Upon Merger). However, in certain circumstances it may not be possible or practical to make such determinations or adjustments to continue the Certificates as normal and in such circumstances there may be the need to exercise discretion in relation to the early redemption of the Certificates or an early termination of the Swap Agreement.

#### **4 How will the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty make discretionary determinations?**

##### **4.1 Company**

The Company is generally required to exercise its discretions in good faith and, unless the relevant discretionary term provides otherwise, in a commercially reasonable manner and (where and to the extent that such exercise of discretion or outcome thereof is subject to a regulatory obligation of the relevant entity to ensure fair treatment) which takes into account whether fair treatment is achieved by any such exercise of discretion or outcome thereof in accordance with applicable regulatory obligations.

##### **4.2 Trustee**

Under the terms of the Trust Deed, the Trustee has absolute and uncontrolled discretion as to the exercise of its functions (although the Trustee is acting as trustee for the Secured Parties, including the Certificateholders).

##### **4.3 Calculation Agent**

The Calculation Agent is generally required to exercise its discretions in good faith and, unless the relevant discretionary term provides otherwise, in a commercially reasonable manner and (where and to the extent that such exercise of discretion or outcome thereof is subject to a regulatory obligation of the relevant entity to ensure fair treatment) which takes into account whether fair treatment is achieved by any such exercise of discretion or outcome thereof in accordance with applicable regulatory obligations.

##### **4.4 Broker**

The Broker is generally required to exercise its discretions in good faith and a commercially reasonable manner.

##### **4.5 Counterparty**

In the case of certain determinations to be made by the Counterparty in respect of the Certificates, such as in respect of a Charged Assets Default, and some determinations to be made in respect of the Swap Agreement, such as the determination of the Close-out Amount, the Counterparty must exercise its discretion in good faith and in a commercially reasonable manner. Otherwise, in the case of determinations to be made by the Counterparty in respect of the Swap Agreement, such as whether to terminate all outstanding transactions following the occurrence of an Additional Termination Event or whether to transfer the Swap Agreement following the occurrence of a Swap Agreement Transfer Right Event, the Counterparty may make such determinations in its sole discretion.

#### **5 When making discretionary determinations, are the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty obliged to consider the interests of Certificateholders?**

The Company, the Calculation Agent, the Broker and the Counterparty do not assume any obligations or duty to, or relationship of agency or trust for or with, any Certificateholder. In making any determination or exercising any discretion, the Company, the Calculation Agent, the Broker and the Counterparty are not obliged to consider the individual interests or circumstances of any particular investor. By contrast, the Trustee is required to have regard to the interests of the Certificateholders when making any determination or exercising any discretion.

**6 What is the effect of such event or action taken by the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty on the Certificates?**

Any of the above actions, if taken by the Company, the Trustee, the Calculation Agent, the Broker or the Counterparty (as the case may be) may result in a reduced return on the Certificates or have a material adverse impact on the value of the Certificates. For example, the Early Redemption Amount could be less than such investor's initial investment and may be reduced to zero.

Further, if the Certificates are redeemed early prior to the scheduled maturity, an investor may be unable to reinvest the redemption proceeds in another investment at the time that provides an equivalent return.

**7 Will the Company notify me if such an event occurs or if it takes any of the above actions?**

The Company will generally give notice to Certificateholders as soon as reasonably practicable of:

- Any replacement of the Custodian in accordance with Condition 4(a);
- Any Liquidation Event (and the Principal Paying Agent will notify Certificateholders of any Liquidation Failure Event) in accordance with Condition 4(d);
- The occurrence of any event that requires the Company to redeem the Certificates early (including the designation of an Early Termination Date in respect of the Swap Agreement, a Holder Information Reporting Compliance Default, an Increased Tax Event, a Market Value Early Redemption Event, a Fund Event, an Extraordinary Event in respect of a Reference Share or an Additional Disruption Event in respect of a Reference Share); and
- Any modification, waiver or authorisation of a breach or proposed breach of the Trust Deed or a Related Agreement by the Trustee in accordance with Condition 18(b).

**8 Summary of the events giving rise to discretionary determinations**

<b>Event</b>	<b>Summary of the event(s)</b>	<b>Party exercising discretion</b>	<b>Type of discretion</b>
Regulatory Requirement Event	The non-compliance of (i) any of the transactions contemplated by the Conditions and the Transaction Documents; (ii) the Company and/or any Transaction Party; or (iii) the Company's or any Transaction Party's future business transactions with a Relevant Regulatory Law.	Calculation Agent	Adjustments (see paragraph 2.1.1(i) above)
Increased Tax Event	A governmental, legal or regulatory imposition by any jurisdiction on the Company would (i) materially increase its cost of complying with its obligations under the Trust Deed or the Certificates, or its operating or administrative expenses; or (ii) oblige the Company or the Trustee to make any payment on the amount of any sum receivable by the Company or the Trustee (and such increased cost, administrative	Company	Early Redemption (see paragraph 2.1.2(i) above)

Event	Summary of the event(s)	Party exercising discretion	Type of discretion
	expense or payment is beyond the control of the Company or the Calculation Agent), other than due to an Information Reporting Regime or Section 871(m) of the U.S. Internal Revenue Code (the “Code”).		
Holder Information Reporting Compliance Default	Any failure of any beneficial owner of the Certificates to provide sufficient forms, documentation or information (i) relating to such beneficial owner’s status under applicable law (including, without limitation, any Information Reporting Regime), as reasonably requested by the Company for the purposes of compliance with applicable law; or (ii) to any withholding agent to allow it to make payments on the Certificates without any deduction or withholding relating to any U.S. withholding tax.	Company	Early Redemption (see paragraph 2.1.2(ii) above)
Market Value Early Redemption Event	The market value of the Certificates is less than, or equal to, the Market Value Threshold.	Calculation Agent	Early Redemption (see paragraph 2.1.2(iv) above)
Correction of prices	The price for a Reference Share that was previously published on the relevant exchange and used to make any calculations or other determinations in connection with the Certificates is subsequently corrected and such correction is published on the relevant exchange by the earlier of (i) one Settlement Cycle (as defined in Schedule 2 ( <i>Reference Share Linked Provisions</i> )) to the Pricing Conditions) after the original publication and (ii) two Business Days before a payment by the Company is due or a determination in respect of the Certificates may have to be made.	Calculation Agent	Correction of prices adjustments (see paragraph 2.1.3(i)(a) above)
Potential Adjustment Event	The occurrence of any of the following: (i) a sub-division, consolidation or reclassification of any of the Reference Shares, (ii) an extraordinary dividend, (iii) a call of any of the Reference Shares that are not fully paid up, (iv) a repurchase by the issuer, or an affiliate thereof, of any of the Reference Shares, (v) a separation of rights from the Reference	Calculation Agent	Potential Adjustment Event adjustments (see paragraph 2.1.3(i)(b) above)

<b>Event</b>	<b>Summary of the event(s)</b>	<b>Party exercising discretion</b>	<b>Type of discretion</b>
	Shares or (vi) any event having a dilutive or concentrative effect on the value of the Reference Shares.		
Extraordinary Event	The occurrence of any of the following: (i) a merger or tender offer in respect of a Reference Share, (ii) a nationalisation of any of the Reference Shares or assets of any of the Reference Share Issuers, (iii) an insolvency filing or other similar proceedings affecting any of the Reference Share issuer which impact on the transferability of the Reference Shares or (iv) a delisting of the relevant Reference Shares on an exchange.	Calculation Agent	Extraordinary Event adjustments or Early Redemption (see 2.1.3(i)(c) above)
Additional Disruption Event	The occurrence of any of the following: (i) a change in any applicable law, or a change in the interpretation of any applicable law, pursuant to which it has (or, it will, within the next 15 days prior to the maturity of the Certificates) become unlawful or illegal to hold, acquire or dispose of any of the Reference Shares or (ii) any of the Reference Share Issuers becomes subject to insolvency or similar proceedings.	Calculation Agent	Additional Disruption Event adjustments or Early Redemption (see paragraph 2.1.3(i)(d) above)
Liquidation Event	The occurrence of any of the following: (i) the Company gives notice that the Certificates will be redeemed early; (ii) the Counterparty designates an Early Termination Date in respect of the Swap Agreement where such designation is made on or after the Maturity Date of the Certificates; or (iii) the Trustee gives notice declaring the Certificates due and repayable following an Event of Default.	Broker	Liquidation (see paragraph 2.2.1(i) above)
Charged Assets Default	The Company, the Counterparty or any of the Certificateholders notifies the Trustee that (i) a Custodian/Agent Failure to Pay has occurred; or (ii) certain information exists that the Fund has defaulted on its obligations thereunder or become insolvent.	Company or Counterparty	Early Redemption (see paragraph 2.2.2.(i) above)
Fund Event	The occurrence of any of the following events: (i) insolvency in respect of the Fund, its management company or any of its service providers, (ii) a merger or other consolidation in respect of the Fund, (iii) a termination of the Fund, (iv) nationalisation of the Fund and (v) any Fund Extraordinary	Calculation Agent	Early Redemption (see paragraph 2.2.2(ii) above)

Event	Summary of the event(s)	Party exercising discretion	Type of discretion
	Events (such as litigation involving the Fund, events which affect the calculation of the net asset value and performance of the Fund or events which affect the trading of the Fund, any operational failures, or other legal and regulatory constraints).		
Swap Agreement Transfer Right Event	The occurrence of any of the following: (i) an Additional Termination Event (as described further below), in each case affecting the Counterparty, which would cease to be continuing if the Counterparty transferred its rights under the Swap Agreement; or (ii) a merger or other consolidation in respect of the Counterparty.	Counterparty	Counterparty transfer (see paragraph 2.3.3(i) above).
		Counterparty and Company	Adjustments (see paragraph 2.3.1(i) above)
Swap Agreement Event of Default	<p>The occurrence of any of the following:</p> <p>(i) with respect to the Company or the Counterparty: (a) a default in any payment or delivery under the Swap Agreement if unremedied for three Local Business Days; (b) a failure to comply with undertakings set out in a confirmation under the Swap Agreement; or (c) a Bankruptcy (as described in the Swap Agreement); or</p> <p>(ii) with respect to the Company only: (a) a breach of certain obligations and restrictions under the Swap Agreement (including not acting in accordance with the Trustee's instructions and permitting certain actions relating to the Charged Assets without Counterparty consent) if unremedied for 45 days or until 14 days before any payment date in respect of the Charged Assets; or (b) a Merger Without Assumption (as described in the Swap Agreement),</p> <p>(each, a "<b>Swap Agreement Event of Default</b>").</p>	Company or Counterparty	Swap Agreement Termination (see paragraph 2.3.2(ii) above)
Swap Termination Event	<b>Illegality:</b> It becomes unlawful under any applicable law for the Company or the Counterparty (or their Credit Support Providers) to perform or comply with any material provision of the Swap Agreement (or credit support documentation) or compliance	Company or Counterparty	Termination Events leading to transfer or termination (see

Event	Summary of the event(s)	Party exercising discretion	Type of discretion
	would result in any affiliate of such party being in violation of applicable law (an “ <b>Illegality</b> ”).		paragraph 2.3.3(ii) above)
	<b>Tax Event:</b> Due to (a) any court action or action taken by a taxing authority or (b) a change in tax law, there is a substantial likelihood the Company or the Counterparty will be required to, with respect to any payment under the Swap Agreement (i) gross up amounts due to taxes imposed (other than taxes only imposed due to a connection between the relevant party and the jurisdiction of taxation or certain U.S. taxes) or receive an amount subject to withholding or deduction; or (ii) in respect of the Counterparty, pay any U.S. insurance excise tax (each, a “ <b>Tax Event</b> ”).	Company or Counterparty	
	<b>Tax Event Upon Merger:</b> Due to a consolidation, amalgamation or merger with or into, or a transfer of all or substantially all its assets to, another entity, the Counterparty will on the next succeeding scheduled payment date be required to gross up amounts payable under the Swap Agreement due to an Indemnifiable Tax or receive an amount subject to withholding or deduction.	Company or Counterparty	
Additional Termination Events	<b>Increased Tax Event:</b> As described above.	Company or Counterparty	Swap Agreement Termination (see paragraph 2.3.2(i) above)
	<b>Certificates Event of Default:</b> The occurrence of any of the following in respect of the Certificates: (i) a default in the payment of any amount, if unremedied for at least five Payment Business Days; (ii) a failure by the Company to perform or observe any of its other obligations for at least 30 days; (iii) certain bankruptcy events in respect of the Company; or (iv) a Charged Assets Default (each, a “ <b>Certificates Event of Default</b> ”).	Company or Counterparty	
	<b>Charged Assets Redemption Event:</b> Any assets, instruments, deposits or securities comprising all or part of the Underlying Fund	Company or Counterparty	

Event	Summary of the event(s)	Party exercising discretion	Type of discretion
	<p>Shares are called for redemption or repayment prior to their scheduled maturity date as a result of any tax or associated reporting requirements being imposed in respect of payments under such assets.</p>		
	<p><b>Charged Assets Tax Event:</b> If (i) any payment due to the Company in respect of any Charged Assets is subject to deduction, withholding or other taxes, duties or charges (or the Company must pay such charges); (ii) the Company is required by law to comply with any reporting requirement; or (iii) any withholding pursuant to FATCA, including if the Company is a non-participating foreign financial institution for the purposes of FATCA, except, in each case, where the Company is able to file or execute documents to avail itself of an exemption.</p>	<p>Company or Counterparty</p>	
	<p><b>Withholding Event:</b> The Company or the Counterparty will, or there is a substantial likelihood that it will, in respect of any payment under the Swap Agreement, be required to make a deduction or withholding imposed pursuant to (i) an Information Reporting Regime; or (ii) Sections 871 and 881 of the Code, including if the Company is a non-participating foreign financial institution for the purposes of FATCA.</p>	<p>Counterparty</p>	
	<p><b>Regulatory Event:</b> The Counterparty determines in its sole discretion that certain regulatory consequences are applicable to the Swap Agreement due to a Relevant Regulatory Law, including the parties being required to clear, or mitigate risk in respect, of any transaction, the Counterparty being required to maintain a transaction with a different legal entity; the imposition of a financial transaction tax; the Company or the Counterparty becoming an alternative investment fund manager, or the Counterparty or the Company becoming restricted in their ability to perform their obligations under the Swap Agreement.</p>	<p>Counterparty</p>	



Event	Summary of the event(s)	Party exercising discretion	Type of discretion
	<p><b>Redenomination Event:</b> Due to the adoption of or any change in any applicable law or regulation (i) a payment obligation under the Swap Agreement ceases to be denominated in euro; or (ii) it would be unlawful, impossible or impractical for the Company or the Counterparty to pay or receive payments in euro (including if precluded by exchange controls or similar restrictions).</p>	Counterparty	
	<p><b>Amendment without Consent:</b> Any amendment is made to the Conditions or a Transaction Document which adjusts the amount, timing or priority of any payments or deliveries due between the Company and the Counterparty under the Certificates or the Transaction Documents and the Counterparty does not consent to such amendments.</p>	Counterparty	

## MASTER CONDITIONS

*The following is the text of the terms and conditions which, as amended, supplemented and/or completed by the Pricing Conditions and, while the Certificates are represented by a Global Certificate, as supplemented and amended by the provisions of such Global Certificate (including any legend or capitalised text thereon), shall apply to the Certificates.*

*Capitalised terms unless otherwise defined shall have the meanings given to them in Condition 25.*

The Certificates are constituted and secured by an issue deed dated on or before the Issue Date (the “**Issue Deed**”), supplemental to a Principal Trust Deed made between, amongst others, the Company and U.S. Bank National Association as initial trustee for the Certificates. The Principal Trust Deed and the Issue Deed together comprise the “**Trust Deed**”. These Master Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (copies of which are available for inspection at the registered office of the Company and the specified office of the Principal Paying Agent or may be provided by email to a Certificateholder following their prior written request to any Paying Agent or the Company and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Company, as the case may be)). The Principal Trust Deed includes the form of the Certificates in bearer form and the form of any registered certificates (the “**Certificates**”) to be issued in respect of registered Certificates, the interest coupons (if any) relating to Certificates in bearer form (the “**Coupons**”), the talons (if any) for further Coupons (the “**Talons**”) and the instalment receipts (if any) for the payment of principal by instalments on Certificates in bearer form (the “**Receipts**”). Certificateholders and Couponholders are entitled to the benefit of, and are deemed to have notice of and are bound by, all the provisions contained in the Trust Deed and the applicable Pricing Conditions and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

An Agency Agreement has been entered into in relation to the Certificates between the Company, the Trustee and certain agents in respect of the Certificates being the calculation agent, the principal paying agent, the registrar(s) and the paying agents and transfer agents.

A Custody Agreement has been entered into in relation to the Certificates between the Company, the Trustee and the custodian specified in the Pricing Conditions (and which shall be The Bank of New York Mellon, London Branch or such other entity as may be specified as such in the applicable Pricing Conditions). All Outstanding Assets comprising Counterparty Posted Collateral taking the form of securities will be held or caused to be held on behalf of the Company by the custodian pursuant to the Custody Agreement or pursuant to such other agreement as may be specified in the applicable Pricing Conditions.

Unless otherwise specified in the applicable Pricing Conditions, the initial Agents shall be as follows:

- (i) the initial Calculation Agent shall be JPMS plc;
- (ii) the initial Principal Paying Agent shall be The Bank of New York Mellon, London Branch;
- (iii) the initial Registrar in respect of Registered Certificates shall be The Bank of New York Mellon SA/NV, and shall be The Bank of New York Mellon SA/NV, Dublin Branch in respect of Certificates that are specified in their Pricing Conditions to be subject to Non-U.S. Distribution;
- (iv) the initial Paying Agents in respect of Bearer Certificates shall be the initial Principal Paying Agent and The Bank of New York Mellon SA/NV, Dublin Branch; and
- (v) the initial Transfer Agents in respect of Registered Certificates shall be the initial Principal Paying Agent together with, in respect of Certificates that are specified in their Pricing Conditions to be subject to Non-U.S. Distribution, The Bank of New York Mellon SA/NV, Dublin Branch.

In connection with any issue of Certificates, the Company may appoint agents other than, or additional to, the Agents specified above as the initial Agents. Such other or additional Agents shall be specified in the

applicable Pricing Conditions. References in these Conditions to Agents shall be to the initial Agents specified above or, if different, specified in the applicable Pricing Conditions or the then current Successor (as defined in the Trust Deed) (whether direct or indirect) of such Agent appointed in accordance with the Conditions and the Trust Deed with respect to such Series.

In addition, where the applicable Pricing Conditions specify that there is a Portfolio Manager, a portfolio management agreement (the “**Portfolio Management Agreement**”) shall be entered into in respect of the Certificates which shall comprise a Principal Portfolio Management Agreement entered into between the Company, the Portfolio Manager and the Trustee and a supplemental portfolio management agreement that specifically relates to the Certificates (the “**Supplemental Portfolio Management Agreement**”).

The Company has also entered into a Master Swap Agreement in the form of the 1992 ISDA Master Agreement (Multicurrency – Cross Border) published by ISDA and a schedule thereto between the Company and JPMSE or, if different, the entity specified as the Counterparty in the applicable Pricing Conditions (the “**Counterparty**”). If, in respect of a Series, “Credit Support Annex” is specified as “Applicable” in the applicable Pricing Conditions, then the Company and the relevant Counterparty, by execution of a Confirmation in respect of a Swap Transaction relating to the Certificates, will be deemed to enter into a credit support annex under the Master Swap Agreement in the form of the ISDA 2016 Credit Support Annex for Variation Margin (VM) Copyright © 2016 by the International Swaps and Derivatives Association, Inc. but which relates only to such Series (the “**Credit Support Annex**”).

Pursuant to the Credit Support Annex:

- (i) if “Applicable - Payable by Company” is specified in the applicable Pricing Conditions, the Company shall, if required in accordance with the terms of the Credit Support Annex, transfer from time to time some or all of the Outstanding Assets to the Counterparty;
- (ii) if “Applicable - Payable by Counterparty” is specified in the applicable Pricing Conditions, the Counterparty shall, if required in accordance with the terms of the Credit Support Annex, transfer from time to time collateral (which satisfies the eligibility requirements in the Credit Support Annex) to the Company; and
- (iii) if “Applicable - Payable by Company and Counterparty” is specified in the applicable Pricing Conditions, the Company shall, if required in accordance with the terms of the Credit Support Annex, transfer from time to time some or all of the Outstanding Assets to the Counterparty and the Counterparty shall also, if required in accordance with the terms of the Credit Support Annex, transfer from time to time collateral (which satisfies the eligibility requirements in the Credit Support Annex) to the Company.

Collateral transferred by the Company pursuant to the Credit Support Annex will be deemed to be released by the Trustee from the Security described in Condition 4(a) (*Security*) immediately prior to the delivery or transfer of such Outstanding Assets by or on behalf of the Company to the Counterparty.

Subject to the following, if the applicable Pricing Conditions specify that a Swap Agreement has been entered into, the Company and the relevant Counterparty will enter into one or more confirmations (each, a “**Confirmation**”) pursuant to the Master Swap Agreement, documenting the terms of one or more swap transactions (each, a “**Swap Transaction**”) relating to the Certificates effective on the Issue Date (such Confirmation(s), together with the Master Swap Agreement, the “**Swap Agreement**”).

For so long as JPMSE or any Eligible J.P. Morgan Transferee (as defined below) is acting as Counterparty, following the occurrence of (i) any Additional Termination Event (as defined in the Swap Agreement) which would cease to be continuing (as determined by the Counterparty) if the Counterparty transferred its rights and obligations under the Swap Agreement to an Eligible J.P. Morgan Transferee (including, without limitation, a Withholding Event, a Regulatory Event, a Redenomination Event (in each case, as defined in

the Swap Agreement)), (ii) a Reference Rate Default Event, where such Reference Rate Default Event occurs due to the Calculation Agent determining that the Adjustment Spread is or would be an interest rate, benchmark, index or other price source whose production, publication, methodology or governance would subject the Counterparty to material additional regulatory obligations, which would cease to be continuing (as determined by the Counterparty) if the Counterparty transferred its rights and obligations under the Swap Agreement to an Eligible J.P. Morgan Transferee (a “**Counterparty Reference Rate Default Event**”), (iii) in the case of Certificates any of which are then rated at the request of the Company, an Initial Rating Event (as defined in the Swap Agreement) or (iv) a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of the Counterparty’s assets to, another entity (each, a “**Swap Agreement Transfer Right Event**”), JPMSE or such Eligible J.P. Morgan Transferee shall have the right to transfer its obligations and rights under the Swap Agreement entered into in connection with the Certificates to any Affiliate of JPMSE, provided that, in each case, such transferee, or any credit support provider thereto, has a rating not less than that of the relevant transferor, or (if higher) the rating of any credit support provider thereto (each, an “**Eligible J.P. Morgan Transferee**”), subject to the consent of the Trustee and the Portfolio Manager (if any) (such consent not to be unreasonably withheld) and subject to Rating Agency Affirmation. Notwithstanding the foregoing, (1) in respect of a Swap Agreement Transfer Right Event that is a Counterparty Reference Rate Default Event, JPMSE or the relevant Eligible J.P. Morgan Transferee shall only have the right to transfer its obligations and rights under the Swap Agreement within 20 days of the date of occurrence of such Swap Agreement Transfer Right Event, (2) in respect of a Swap Agreement Transfer Right Event that is an Initial Rating Event, no consent of the Trustee or the Portfolio Manager or Rating Agency Affirmation shall be required in respect of a transfer to an Eligible J.P. Morgan Transferee, to the extent that such transfer is in accordance with the terms of the Swap Agreement and (3) in respect of a Swap Agreement Transfer Right Event that occurs due to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of the relevant transferor’s assets to, another entity and the transfer is to such other entity, such transferee is not required to be an Eligible J.P. Morgan Transferee (such transferee, a “**New Counterparty**”) and no consent of the Trustee or the Portfolio Manager or Rating Agency Affirmation shall be required in respect of such transfer. Upon such transfer, references in these Conditions to the “**Counterparty**” shall be read and construed as references to such New Counterparty or Eligible J.P. Morgan Transferee, as applicable. In respect of any such transfer of rights and obligations, the Swap Agreement, including the Master Swap Agreement forming part of the Swap Agreement, may be amended to reflect any differences between the transferor and the transferee in terms of jurisdiction of establishment or incorporation, legal or regulatory position or entity type or structure, but shall otherwise be in substantially the same form as the Swap Agreement between the Company and the relevant transferor.

For the avoidance of doubt, any transfer of the Counterparty’s rights and obligations shall be of all its rights and obligations under the Swap Agreement (and each swap transaction thereunder) entered into in respect of a Series of Certificates.

Each Swap Agreement includes any further Confirmations executed or alternative documentation entered into in relation to any further Certificates issued by the Company which are to form a single Series with the Certificates.

The “**Principal Trust Deed**”, “**Agency Agreement**”, “**Custody Agreement**”, “**Principal Portfolio Management Agreement**” (where applicable) and “**Master Swap Agreement**” were first entered into by the respective parties thereto executing a programme deed (the “**Programme Deed**”) or one or more supplements thereto. The Programme Deed or supplement, as applicable, specifies certain master trust terms, master agency terms, master custody terms, master portfolio management terms and master swap terms. By their execution of the relevant Programme Deed or supplement, the relevant parties have entered into a Principal Trust Deed, Agency Agreement, Custody Agreement, Principal Portfolio Management Agreement and Master Swap Agreement in the form of the specified master trust terms, master agency terms, master custody terms, master portfolio management terms and master swap terms

(together, in the case of the master swap terms, with the 1992 ISDA Master Agreement (Multicurrency – Cross Border) and the ISDA 2016 Credit Support Annex for Variation Margin (VM) (Bilateral Form - Transfer), each published by ISDA), respectively, subject in each case to such amendments or supplements to such master terms documents as are specified in the relevant Programme Deed or supplement thereto the execution of which created such document(s). With respect to the Certificates, references to the Principal Trust Deed, Agency Agreement, Custody Agreement, Principal Portfolio Management Agreement (where applicable) and Master Swap Agreement are to those documents as amended, supplemented or replaced from time to time in relation to the Programme up to and including the Issue Date of the Certificates (including any amendments, supplements or replacements made with respect only to that particular issue of Certificates, whether in the Issue Deed, in a supplemental programme deed or otherwise) and as they may then be subsequently amended, supplemented or replaced in respect of the Certificates as permitted by the Conditions and the Trust Deed with respect to such Series.

Application may be made to list the Certificates on any stock exchange.

The Certificates may be rated by one or more Rating Agency. Any references in the Conditions to “Rating Agency Affirmation” shall only be applicable where such Certificates are rated by one or more of the Rating Agencies at the request of the Company.

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

The Certificates are Bearer Certificates or Registered Certificates in the relevant Denomination.

All Registered Certificates of a Series and Class (if any) shall have the same Denomination. For such purpose, if the applicable Pricing Conditions specify that the Denomination of a Certificate comprises a Minimum Denomination and integral multiples of the Calculation Amount in excess thereof then, in the context of Registered Certificates only, the Denomination for such Registered Certificates shall be deemed to be the Calculation Amount and the Minimum Denomination shall represent the minimum aggregate holding required of a Certificateholder. Transfers that would result in the transferee or transferor holding less than such minimum aggregate holding shall not be permitted.

Bearer Certificates are issued with certificate numbers and with Coupons (and, where appropriate, one or more Talons) attached save in the case of Certificates which do not bear interest in which case references to interest (other than in relation to interest due after the due date for redemption in respect of overdue amounts of principal), Coupons and Talons in these Conditions are not applicable. Any Bearer Certificate the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Registered Certificates may be Certificated Certificates or Uncertificated Certificates, as specified in the applicable Pricing Conditions.

Title to the Bearer Certificates and any Receipts, Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Certificates shall pass by registration in the Register which the Company shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Bearer Certificate, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Certificate, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Certificate, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

The Company, the Trustee and each Paying Agent shall deem and treat each Certificateholder and Couponholder as the absolute owner of the relevant Certificate, Receipt, Coupon or Talon (whether or not such Certificate, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership

or writing thereon or, in the case of Registered Certificates, on any Certificate representing it) for the purpose of making payments and for all other purposes.

## **2 No Exchange of Certificates; Transfers of Registered Certificates; Deemed Representations**

### *(a) No Exchange of Certificates*

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

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

Registered Certificates may be transferred in their Denomination upon (i) the submission of the form of transfer endorsed on the Certificate representing such Certificates where Certificates are issued or, in the case of Uncertificated Certificates, available from the Registrar or any Transfer Agent duly completed and executed and (ii) except in the case of Uncertificated Certificates, the surrender of the Certificate, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Certificate, except in the case of Uncertificated Certificates, a new Certificate in respect of the balance not transferred will be issued to the transferor. In the case of Uncertificated Certificates, the Registrar shall write to the transferee of any Certificate confirming that the Register has been adjusted to effect the transfer. All transfers of Certificates and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Company, with the prior written approval of the Registrar, the Principal Paying Agent, the Transfer Agents and the Trustee.

### *(c) Delivery of new Certificates*

Each new Certificate to be issued upon transfer of Registered Certificates will, within seven business days (being a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such form of transfer shall have been delivered) of receipt of such form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom such delivery shall have been made or, at the option of the holder making such delivery as aforesaid and as specified in the relevant form of transfer, be mailed at the risk of the holder entitled to the new Certificate to such address as may be specified in such form of transfer.

### *(d) Transfers free of charge*

Transfer of Certificates on registration or transfer will be effected without charge by or on behalf of the Company, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) by the relevant Certificateholder in respect of any tax, duty or other governmental charges which may be imposed in relation to such registration or transfer.

### *(e) Closed periods*

No Certificateholder may require the transfer of a Registered Certificate to be registered during the period of 15 days ending on the due date for any payment of principal on that Certificate.

### *(f) Deemed Representations*

If the applicable Pricing Conditions specify that Certificates are subject to Non-U.S. Distribution, each Certificateholder, Couponholder and beneficial owner of a Certificate, will, on each date on

which such person (x) accepts delivery of the programme memorandum relating to the Certificates or a standalone prospectus or the Pricing Conditions produced by the Company in respect of a particular Tranche of Certificates or other offering document in respect of such Certificates and (y) purchases such Certificate or beneficial interest, be deemed to have represented, agreed and acknowledged as follows:

- (i) the Certificates or such beneficial interest have been acquired in an offshore transaction (as such term is defined under Regulation S under the Securities Act);
- (ii) the Certificates have not been and will not be registered under the Securities Act and it will not, at any time during the term of the Certificates, offer, sell, pledge, otherwise transfer or, in the case of Certificates in bearer form, deliver Certificates within the United States to, or for the account or benefit of, any person who is an Ineligible Investor;
- (iii) no person has registered nor will register as a “commodity pool operator” of the Company under the U.S. Commodity Exchange Act of 1936 and the U.S. Commodity Futures Trading Commission Rules thereunder;
- (iv) it is not an Ineligible Investor;
- (v) to the extent it is acting for the account or benefit of another person, such other person is not an Ineligible Investor; and
- (vi) the Company, the Dealer and its Affiliates, and others will rely upon the truth and accuracy of the foregoing representations, agreements and acknowledgments.

### **3 Status**

The Certificates, Receipts and Coupons (if any) are secured obligations of the Company and rank *pari passu* without any preference among themselves unless otherwise specified in the applicable Pricing Conditions. The Certificates represent limited recourse obligations of the Company. Certificateholders and Couponholders must rely solely upon payments under the Swap Agreement(s) (if any) and under the Charged Assets in accordance with (and subject to the priority provisions described in) Condition 4.

### **4 Security**

#### **(a) Security**

For each Series issued by it, pursuant to the Issue Deed in respect thereof, the Company with full title guarantee and as continuing security (subject to the provisions of this Condition 4) for the Secured Liabilities:

- (i) charges by way of a first fixed charge in favour of the Trustee:
  - (1) the Original Charged Assets;
  - (2) the Outstanding Assets from time to time (and with any Counterparty Posted Collateral being subject to such charge upon delivery by the Counterparty to the Company);
  - (3) all proceeds of, income from and sums arising from any Outstanding Assets held by or on behalf of the Company from time to time; and
  - (4) all assets and property hereafter belonging to the Company and deriving from the assets described in Conditions 4(a)(i)(1) to (3) above or the rights attaching thereto;

- (ii) assigns by way of security in favour of the Trustee:
  - (1) all rights attaching to or relating to the Outstanding Assets from time to time, including, without limitation, any right to delivery of such securities or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
  - (2) all assets and property hereafter belonging to the Company and deriving from the assets described in Condition 4(a)(ii)(1) above or the rights attaching thereto;
  - (3) the Company's rights, title and interest under the Custody Agreement, to the extent that such rights, title and interest relate to the assets and/or other property and/or any other rights, title or interest referred to in Conditions 4(a)(i) and/or 4(a)(ii)(5) or otherwise relate to the Certificates or the Swap Agreement;
  - (4) the Company's rights, title and interest under the Agency Agreement, to the extent that such rights, title and interest relate to sums held to meet payments due in respect of the Certificates and other than sums held by the Principal Paying Agent on behalf of any Counterparty in accordance with the Agency Agreement;
  - (5) all rights, title and interest of the Company in respect of any deposit made by the Company with the Custodian or any other Deposit Taker, to the extent that such rights, title and interest relate to the Certificates or the Swap Agreement; and
  - (6) the Company's rights, title and interest under the Portfolio Management Agreement (if any) and in respect of all proceeds and sums arising therefrom; and
- (iii) where there is a Swap Agreement, assigns by way of security in favour of the Trustee all the Company's rights, title and interest under the Swap Agreement and, to the extent that it relates to that Swap Agreement, any Credit Support Document relating to any Credit Support Provider (both as defined in the Swap Agreement) of the Counterparty and all proceeds of and sums arising therefrom without prejudice to, and after giving effect to, any contractual netting provision contained in the Swap Agreement.

The Security shall not include any amounts paid as subscription moneys for the existing share capital of the Company or amounts standing to the credit of the account of the Company to which any transaction fees earned by the Company in respect of its effecting the relevant Tranche and to which amounts available to the Company to meet the costs and expenses payable by it are credited or the Company's rights in respect of such amounts.

References in the Conditions to the amount of the Outstanding Assets shall be construed, in the case of cash deposits comprised therein, as references to the amount of any such deposit and, in the case of other assets comprised therein, as references to the principal amount of any such assets.

Unless otherwise specified in the applicable Pricing Conditions, the relevant Original Charged Assets will be purchased or entered into on or about the Issue Date for a Series or Tranche and those that take the form of securities will be held pursuant to the Custody Agreement by the Custodian acting through its London office, subject to the security referred to above. The Company reserves the right at any time to replace the Custodian in accordance with the terms of the Custody Agreement provided that (a) the replacement Custodian is an Eligible Replacement Custodian, (b) the Counterparty provides its prior written consent to such replacement and (c) effective security is granted in favour of the Trustee over the Company's rights, title and interest under the relevant replacement Custody Agreement to the extent that such rights, title and interest relate to the assets and/or other property and/or any other rights, title or interest referred to in Conditions 4(a)(i) and/or



4(a)(ii)(5) or otherwise relate to the Certificates or the Swap Agreement. Notice of such change shall be given to the Certificateholders in accordance with Condition 17. The Company shall maintain a Custodian for so long as the Certificates remain outstanding.

Subject as provided in Condition 4(g), cashflows generated by the Charged Assets and/or the Swap Agreement (if any) will be utilised by the Company in making payments in respect of the Certificates and other amounts due.

The Company may provide that two or more Series of Certificates share in the same Security. If this is applicable this shall be specified in the applicable Pricing Conditions relating to the relevant Series, which shall also specify the basis on which such Series share such Security.

In this Condition 4, any notice required to be given by, or on behalf of, the Company if not given within a reasonable time after the events or circumstances giving rise to the cause for such notice have occurred, shall be capable of being given by or on behalf of the holders of at least 50 per cent. of the aggregate principal amount of the Certificates then outstanding by written notice to each party required to be so notified, and such notice shall be deemed to be notice from the Company provided that the conditions to the giving of such notice have otherwise been satisfied.

*(b) The Trustee*

The Trustee shall not be required to take any action in relation to the Security that would involve the Trustee in personal liability or expense unless indemnified and/or prefunded and/or secured to its satisfaction against all Related Liabilities. The Trustee will not be liable to the Company or anyone else for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any enforcement of the Security or from any act or default of the Trustee, its officers, employees or agents in relation to the Security except to the extent caused by the Trustee's own fraud or wilful misconduct or that of its officers or employees.

*(c) Application of proceeds*

The Company shall on each Company Application Date (in relation to a Liquidation) and the Trustee shall on each Trustee Application Date (in relation to an enforcement of Security) apply any sums available to it on such date that are derived from the Mortgaged Property for the Certificates (including, for the avoidance of doubt, any Make-Whole Amount pursuant to Condition 11) as set out below but, in each case, only after deduction of (in the following order of priority) (i) any taxes required to be paid by virtue of the realisation of any assets or property in connection with any Liquidation or enforcement of the Security and (ii) any costs, charges, expenses and liabilities incurred by the Company and any entity appointed as Broker by virtue of the realisation of any assets or property in connection with any Liquidation or enforcement of the Security and provided that, before applying such proceeds as aforesaid, the Trustee may deduct, or in respect of a Company Application Date, subject to payment by the Company to the Trustee of its expenses, remuneration and other amounts due to the Trustee (including legal fees) in respect of the Certificates (including such expenses, remuneration or other amounts that have arisen in connection with any enforcement of the Security):

- (i) firstly, where a Credit Support Annex is applicable to the Certificates pursuant to which the Counterparty posts collateral and there has been an Early Termination Date in respect of a Swap Agreement Termination, in meeting the claims of the Counterparty in respect of any payments then due to the Counterparty in accordance with the Swap Agreement (if any) up to a total aggregate amount equal to the Credit Support Excess;
- (ii) secondly, in meeting all claims of the Custodian for reimbursement of payments properly made to any party (other than the Principal Paying Agent) in respect of sums receivable on the Outstanding Assets and/or the Principal Paying Agent for reimbursement in respect of

payments of principal and interest properly made to holders of Certificates, Coupons and Receipts, respectively, and in respect of any expenses, costs, claims or liabilities properly incurred by the Custodian or the Agents in the performance of their duties under the Custody Agreement or the Agency Agreement, respectively;

- (iii) thirdly, in payment of any Priority Payments specified in the applicable Pricing Conditions, which are due and payable by the Company;
- (iv) fourthly, in making any remaining payments then due to the Counterparty in accordance with the Swap Agreement (if any);
- (v) fifthly, in making any payment of Management Fees due to the Portfolio Manager (if any) in accordance with the Portfolio Management Agreement;
- (vi) sixthly, in meeting *pro rata* the claims of the Certificateholders and (if applicable) the Couponholders, including provision for any future payments which may become due and payable to the Certificateholders and (if applicable) the Couponholders; and
- (vii) seventhly, provided that no further amounts remain to be determined or are due and payable under the Swap Agreement (if any), in payment of the balance to the Company.

Notwithstanding the above, no sums shall be applied in accordance with the foregoing paragraphs (i) to (vii) at any time whilst a calculation or determination of a payment due under the Swap Agreement is pending and until an Early Termination Date has occurred in respect of the Swap Agreement. If payment of any sum has been deferred as a result of the operation of the preceding sentence then the date on which the conditions set out in the preceding sentence are satisfied shall be treated as a Company Application Date or Trustee Application Date, as the case may be. If, upon a Swap Agreement Termination, the Company is owed sums from the Counterparty under the Swap Agreement which are unpaid (and does not itself owe the Counterparty any sums thereunder) but the Outstanding Assets have been Liquidated or otherwise realised so as to be in the form of cash then the Company or, following the occurrence of an Enforcement Event and enforcement of the Security, the Trustee, as the case may be, shall apply the sums available to it in accordance with the above. Following any payments received from the Counterparty it will then apply them in accordance with the above.

If, upon a Swap Agreement Termination, the Counterparty or its agent or representative has indicated that it disagrees with any calculations or determinations made in respect of the Swap Agreement or the Company has reasonable grounds for anticipating that there will be such a disagreement (and, for this purpose, the mere fact that the Counterparty is subject to an insolvency or analogous event shall not, of itself, constitute reasonable grounds), the Company in the case of a Company Application Date or the Trustee in the case of a Trustee Application Date may prior to any payment made under this Condition 4(c), (i) require to be indemnified and/or secured and/or pre-funded (in the case of the Trustee, to its satisfaction against all Related Liabilities) in respect of any payment that might be required to be made to the Counterparty should the relevant determination or determinations be found or agreed to be incorrect, and/or (ii) make such retention as seems reasonable to it in order to provide for any payments that might be required to be made by or on behalf of the Company should the relevant calculations or determinations be found or agreed to be incorrect.

(d) *Method of Liquidation of Outstanding Assets prior to enforcement of the security*

If a Liquidation Event occurs, the Company shall notify (or procure notification of) the Trustee, the Principal Paying Agent, the Custodian, the Counterparty, the Calculation Agent and the Broker (if any) of such occurrence as soon as reasonably practicable after the Company becomes aware of

the same. The Principal Paying Agent shall notify the Certificateholders (in accordance with Condition 17) as soon as reasonably practicable after receiving any such notice.

During every Liquidation Period, other than in circumstances involving a Liquidation Failure Event, the Broker, acting on behalf of the Company, shall realise all Outstanding Charged Assets and all Counterparty Posted Collateral by way of sale or redemption other than those in the form of on-demand cash deposits save that the Broker shall not realise any Outstanding Assets that are scheduled to redeem or repay in full during the Liquidation Period other than if such Outstanding Assets fail to make payment in respect of such redemption or repayment when due. Notwithstanding the above, no Liquidation shall occur following the occurrence of a Bankruptcy Event of Default and the Broker shall cease any Liquidation immediately upon it becoming aware of any Bankruptcy Event of Default.

Within the relevant Liquidation Period, the Broker may take such steps as it considers appropriate in order to effect an orderly Liquidation (so far as is practicable in the circumstances), and may effect such Liquidation at any time and at different times within the relevant Liquidation Period or in stages in respect of smaller portions, but may not delay the Liquidation of all or part of the Outstanding Charged Assets and Counterparty Posted Collateral beyond the relevant Liquidation Period for any reason, including the possibility of achieving a higher price, and will not be liable to the Company, or to the Trustee, the Certificateholders, the Couponholders (if any) or any other person merely because a higher price could have been obtained had all or part of the Liquidation been delayed beyond the relevant Liquidation Period, except to the extent caused by the Broker's own gross negligence, fraud or wilful misconduct. Further, the Broker will not be liable to the Company, or to the Trustee, the Certificateholders, the Couponholders (if any) or any other person merely because a higher price could have been obtained had all or part of the Liquidation taken place at a different time within the relevant Liquidation Period or had or had not been effected in stages in respect of smaller portions, except to the extent caused by the Broker's own gross negligence, fraud or wilful misconduct. If the Broker has not been able to sell all or part of the Outstanding Charged Assets and Counterparty Posted Collateral within the relevant Liquidation Period, then it must sell them at its expiry, irrespective of the price obtainable and regardless of such price being close to or equal to zero.

Notwithstanding the preceding paragraph, where the Broker determines, acting in good faith and in a commercially reasonable manner, that there has been a Liquidation Failure Event the Broker shall not be required to take any further action. If the Broker determines that there is a Liquidation Failure Event, the Broker shall notify the Company, and the Company shall notify or procure notification to the Principal Paying Agent, the Custodian, the Counterparty, the Calculation Agent and the Trustee of such Liquidation Failure Event. The Principal Paying Agent shall notify the Certificateholders (in accordance with Condition 17) as soon as reasonably practicable after receiving any such notice. The Broker shall have no responsibility for the effect of any Liquidation Failure Event on any arrangements entered into or any other actions taken by the Broker in connection with the Liquidation of such Outstanding Assets.

In connection with the foregoing, during a Liquidation Period, the Broker, acting on behalf of the Company, shall exercise the Company's right under the Credit Support Annex to have the Counterparty deliver to the Company (or the Broker on its behalf) assets equivalent to those comprising the Company Posted Collateral, in order that the Broker may effect an orderly Liquidation of those assets delivered to it (which assets shall, on such delivery, be Outstanding Charged Assets). Under the terms of the Credit Support Annex, it is a condition to such delivery by the Counterparty that the Company posts alternative collateral (which shall form part of the Company Posted Collateral); to satisfy such condition, the Broker on behalf of the Company shall pay to the

Counterparty the liquidation proceeds of the assets delivered to it such that such cash forms part of the Company Posted Collateral.

The Broker shall not be liable (i) to account for anything except the actual proceeds of any Liquidation received by it or (ii) for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any Liquidation or from any act or omission in relation to any Liquidation or otherwise unless such costs, charges, losses, damages, liabilities or expenses were caused by its own gross negligence, fraud or wilful default. In addition, the Broker will not be obliged to pay to the Company or to the Certificateholders or the Trustee interest on any proceeds from any Liquidation held by it at any time.

Notwithstanding the above, in carrying out any Liquidation, the Broker will act in good faith and where, as provided above, the assets or rights to be Liquidated are to be sold, the Broker shall request executable quotes from at least five major market makers in the applicable market for the purchase of the relevant assets or rights and will sell at the highest price quoted, provided that it reasonably believes such quote to be representative of the price available in the market for the sale of the relevant assets or rights in the appropriate size taking into account the length of the relevant Liquidation Period and the total amount of the relevant assets or rights to be sold during that Liquidation Period.

Subject as provided above, in carrying out any Liquidation, the Broker may sell to itself, the Counterparty or any Affiliate of either the Broker or the Counterparty provided that the Broker shall sell in accordance with the paragraphs above and at a price which it believes to be a fair market price. A sale price shall be deemed to be fair if five major market makers in the applicable market have either refused to buy the relevant assets or offered to buy them at a price equal to or less than such sale price.

In connection with any Early Redemption, the Counterparty will calculate the Termination Payment except in certain circumstances specified in the Swap Agreement. The Company will procure that details of the Termination Payment (and, if applicable, any interest payable thereon) are notified to the Calculation Agent, who shall as of the Early Valuation Date determine the Early Redemption Amount in respect of such Certificates and notify the Company, the Principal Paying Agent, the Custodian, the Counterparty, the Broker and the Trustee of such Early Redemption Amount. The Principal Paying Agent shall notify the Certificateholders (in accordance with Condition 17) as soon as reasonably practicable after receiving such notice from the Calculation Agent.

If the Certificates are to be redeemed pursuant to Conditions 10(b), 10(c), or 10(d) or 10(e) or as a result of an Event of Default, then, from the time that the obligation to redeem is triggered, no further payments will be made by the Company in respect of the Certificates until the Early Redemption Date. For the avoidance of doubt, Conditions 10(b), 10(c), 10(d) or 10(e) shall have no application on or after the Maturity Date (save to the extent that the Certificates are, on or after the Maturity Date, to be redeemed at their Early Redemption Amount on the Early Redemption Date by virtue of the application of those Conditions prior to the Maturity Date).

(e) *Method of Realisation of the Security on enforcement*

At any time after the Trustee becomes aware of the occurrence of an Enforcement Event under paragraphs (i) or (ii) of the definition of Enforcement Event, it may and (i) if so requested by holders of at least one-fifth in nominal amount of the Certificates then outstanding, (ii) if so directed by an Extraordinary Resolution or (iii) if so directed by the Counterparty (whichever shall be the first to so request or direct, as the case may be), shall (provided in each case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities) enforce the Security created by the Issue Deed and/or any other Security Documents (if applicable). In addition, at any time after the Trustee becomes aware of the occurrence of an Enforcement Event

under paragraph (iii) of the definition of Enforcement Event it shall, if so directed by the Counterparty (and provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities) enforce the Security created by the Issue Deed and/or any other Security Documents (if applicable).

Prior to taking any steps to enforce the Security, the Trustee shall deliver an Enforcement Notice to the Company, the Principal Paying Agent, the Custodian and any Broker appointed at that time.

In order to enforce the Security, the Trustee may:

- (i) sell, call in, collect and convert into money to the extent possible and practicable the relevant Mortgaged Property or any part thereof in such manner and upon such terms as it thinks fit, and the Trustee may, at its discretion, take possession of all or part of the Mortgaged Property over which the Security shall have become enforceable;
- (ii) take such action, step or proceeding against any Underlying Obligor as it deems appropriate but without any liability to the Certificateholders or Couponholders as to the consequence of such action, step or proceeding, except to the extent caused by the Trustee's own fraud or wilful misconduct or that of its officers or employees, and without having regard to the effect of such action on individual Certificateholders or Couponholders; and
- (iii) take any such action or enter into any such other proceedings as it deems appropriate (including, without limitation, taking possession or all or any of the Mortgaged Property and/or appointing a receiver) as are permitted under the terms of the Trust Deed or the Security Documents.

The Trustee shall not be required to take any action, step or proceeding in relation to the enforcement of the Security that would involve any personal liability or expense without first being indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities.

Following the occurrence of an Enforcement Event and subject to the preceding provisions of this Condition 4(e), where the Trustee determines that any Outstanding Assets are to be sold or otherwise liquidated, the Trustee may, in its absolute discretion, direct the Broker, acting on behalf of the Trustee, to effect such sale or liquidation. The Trustee shall have no responsibility or liability to any person for any arrangements entered into or any other actions taken or omissions by the Broker in connection with the sale or liquidation of any Outstanding Assets. Certificateholders acknowledge and agree and shall be deemed to acknowledge and agree that the Trustee shall have discharged its duties and obligations under the Trust Deed and any other Security Documents and under applicable law in relation to enforcement of the Security and realisation of the Outstanding Assets if, and to the extent that, the Broker (on behalf of the Trustee) sells or otherwise liquidates any such Outstanding Assets pursuant to this Condition 4. Pursuant to the Trust Deed, the Trustee is required, subject to the following paragraph, to apply all moneys received by it in connection with the realisation or enforcement of any Security relating to the Certificates in the manner provided in Condition 4(c). The Trustee is required to make such application as soon as is reasonably practicable following receipt by it of the relevant moneys.

If the amount of the moneys at any time available to the Trustee for payment is less than 10 per cent. of the sums then due in respect of the Certificates, the Trustee may, at its discretion, invest such moneys in one or more authorised investments as prescribed by the Trust Deed and with power from time to time to vary such investments. Such investments with the resulting income therefrom may be accumulated until the accumulations, together with any other funds relating to the Certificates for the time being under the control of the Trustee and available for payment, shall amount to at least 10 per cent. of the sums then due in respect of the Certificates and then such

accumulations and funds (after deductions of any taxes applicable thereto) shall be applied as specified in Condition 4(c).

(f) *Conflicts of Interests of the Broker*

Except as expressly provided in Conditions 4(d), 4(e) and 8, the Broker may be any Counterparty or an Affiliate of any Counterparty (which Counterparty is also a secured creditor pursuant to the Trust Deed). Notwithstanding the above, the Broker shall be entitled to take or refrain from taking, in any capacity, any action that it would be entitled to take or refrain from taking in that capacity if it were not acting in any other capacity. The Broker and its Affiliates may enter into any contracts or any other transactions or arrangements with the Company or with the Certificateholders, any obligor in respect of the Outstanding Assets (or any part of them) or any other party to the Programme Deed or Issue Deed or any Affiliate thereof (whether in relation to the Certificates or in any other manner whatsoever) or in relation to the Security and may hold or deal in or be a party to the assets, obligations or agreements of which the relevant Outstanding Assets form a part and other assets, obligations or agreements of any obligor in respect of the Outstanding Assets. The Broker shall not be required to disclose any such contract, transaction or arrangement to the Certificateholders or the Trustee and shall be in no way accountable to the Company or (save as otherwise provided in these Conditions) to the Certificateholders or the Trustee for any profits or benefits arising from any such contract or transaction or arrangement.

(g) *Limited recourse*

The Company may not have sufficient funds to make all payments due in respect of the Certificates and (if applicable) Coupons and/or Receipts.

If the Net Proceeds are not sufficient to make all payments of Secured Liabilities which, but for the effect of this Condition 4(g) and similar provisions in the agreements to which the Transaction Parties are party, would then be due, then the obligations of the Company in respect of Secured Liabilities shall be limited to such Net Proceeds. Any such shortfall shall be borne by the Secured Parties on such date in accordance with the priority of payments set out in Condition 4(c) applied in reverse order. None of the Transaction Parties, the Certificateholders, the Couponholders or any person acting on behalf of any of them shall be entitled to take any further steps against the Company or any of its officers, shareholders, members, corporate service providers (in the case of an action taken by any Transaction Party other than the Company) or directors to recover any further sum and no debt or liability shall be due or owed to any such persons by the Company in respect of any such further sum. In particular, none of the Transaction Parties, the Certificateholders, the Couponholders or any person acting on behalf of any of them may at any time institute, or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Company or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any other Series of Certificates or other Obligations issued or entered into by the Company. Failure to make any payment in respect of any amount that, but for the operation of this provision, would have been due shall in no circumstances constitute an Event of Default under Condition 13. None of the Counterparty, any Credit Support Provider of such Counterparty, any Portfolio Manager, the Trustee or any other person has any obligation to any Certificateholder for payment of any such amount. Such limited recourse and non-petition provisions shall survive maturity of the Certificates and the expiration or termination of the agreements to which the Transaction Parties are party.

(h) *Limitation on enforcement*

If the Security becomes enforceable, such event will entitle the Trustee to exercise its rights as mortgagee in respect of the Security (including any Swap Agreement), subject as provided in

Condition 4(e), but such event will not of itself entitle the Trustee to exercise such rights in respect of any other assets of the Company.

(i) *Substitution of Original Charged Assets*

The applicable Pricing Conditions in relation to each Series of Certificates will specify whether or not substitution of any Original Charged Assets is permitted. If (x) such right of substitution is specified in the applicable Pricing Conditions to be “Exercisable by Certificateholder Direction”, then the holders of 66⅔ per cent. in aggregate principal amount of the Certificates then outstanding, acting unanimously, or the Certificateholders by Extraordinary Resolution or (y) if such right of substitution is specified in the applicable Pricing Conditions to be “Exercisable by Manager Direction”, then the Portfolio Manager in its sole discretion, shall be entitled on one occasion only and subject to the conditions set out below and any other conditions set out in the applicable Pricing Conditions and also to Rating Agency Affirmation, by not less than fifteen Payment Business Days’ written notice (in either case, a “**Substitution Notice**”) to the Company, the Counterparty and the Custodian (if the Custodian holds the Original Charged Assets and subject to the Custodian being able to hold such New Charged Assets in the Custody Account (as defined in the Custody Agreement) in accordance with the terms of the Custody Agreement) and in accordance with any procedures specified in the applicable Pricing Conditions, to request that Original Charged Assets be substituted (in whole but not in part) with other assets specified in the Substitution Notice and to be provided on the instructions of the Certificateholders who approved the giving of the Substitution Notice or who voted in favour of the Extraordinary Resolution, as the case may be, (the “**Instructing Certificateholders**”) or Portfolio Manager, as the case may be (the “**New Charged Assets**”). Such right applies only in respect of Original Charged Assets and shall not apply in respect of any New Charged Assets replacing the Original Charged Assets. The security created over the Original Charged Assets as described in Condition 4(a) will automatically be released with effect from the date of delivery of the New Charged Assets without further action on the part of the Trustee.

The substitution of the Original Charged Assets with the New Charged Assets as stated above shall be conditional upon all of the Substitution Criteria being satisfied.

Release of the Original Charged Assets by the Company to or to the order of the Instructing Certificateholders, if “Exercisable by Certificateholder Direction” is specified in the applicable Pricing Conditions, or to or to the order of the Portfolio Manager, if “Exercisable by Manager Direction” is specified in the applicable Pricing Conditions, shall be conditional upon the Custodian having confirmed to the Counterparty that it has received the New Charged Assets on behalf of the Company. Subject to the foregoing and to the following provisions of this Condition 4(i), the Company shall deliver, assign or otherwise transfer the Original Charged Assets (or cause the same to be delivered, assigned or otherwise transferred) to or to the order of the Instructing Certificateholders or the Portfolio Manager, as the case may be.

With effect from the date of the delivery of the New Charged Assets in accordance with the Substitution Notice to the Custodian on behalf of the Company (unless otherwise specified in the applicable Pricing Conditions) and subject to satisfaction of the Substitution Criteria, the payment obligations of the parties under the Swap Agreement will be adjusted (without, for the avoidance of doubt, the need for consent from any person) so that the payment obligations of the Company reflect the substitution of the Original Charged Assets with the New Charged Assets and any Credit Support Annex shall be adjusted (without, for the avoidance of doubt, the need for consent from any person) such that references to the assets constituting the Original Charged Assets shall be replaced by reference to the assets constituting the New Charged Assets. In addition, on the date of delivery of New Charged Assets where a Credit Support Annex is applicable to the Certificates, an aggregate amount of New Charged Assets having a Value as close as practicable to the prevailing Value of the Original Charged Assets forming part of the Company’s Credit Support

Balance (VM) (and, in any event not less than such Value of the Original Charged Assets) shall be transferred to the Counterparty as Eligible Credit Support (VM) (as defined in such Credit Support Annex) and, upon such delivery, the Counterparty shall transfer to or to the order of the Company an amount of the Original Charged Assets equal to that comprised in the Company's Credit Support Balance (VM).

Where the substitution is specified in the applicable Pricing Conditions to be "Exercisable by Certificateholder Direction", a Substitution Notice has been given and the Original Charged Assets are to be delivered, assigned or otherwise transferred to the Instructing Certificateholders, each Instructing Certificateholder shall be entitled to receive a Certificateholder Proportion. If the principal amount (after rounding) of Original Charged Assets to be delivered to an Instructing Certificateholder is not by the terms of the Original Charged Assets capable of being delivered, assigned or otherwise transferred, the principal amount of Original Charged Assets to be delivered to such Instructing Certificateholder (an "**Affected Instructing Certificateholder**") shall be the Deliverable OCA Amount. In such circumstances, the resultant shortfall below the amount that would have been delivered, assigned or transferred had it not been for such rounding shall be satisfied by the payment of a Deliverable Cash Amount in accordance with the following paragraph.

If the sum of the Deliverable OCA Amounts relating to all Certificateholders is less than the total principal amount of the Original Charged Assets as at the date of the Substitution Notice, a principal amount of the Original Charged Assets equal to such aggregate shortfall (the "**Aggregate Undeliverable OCA Amount**") shall be Liquidated by the Company subject to and in accordance with Condition 4(d), provided that for such purpose (x) the Liquidation Period shall be the period from and including the day on which the Broker is notified that the Company has received the Substitution Notice to and including the proposed date of substitution (which shall be no less than 15 Payment Business Days after the date on which the Broker is notified that the Company has received the Substitution Notice) and (y) the relevant portion shall be the portion of the Original Charged Assets equal to the Aggregate Undeliverable OCA Amount. Notwithstanding Condition 4(c), the Available Liquidation Proceeds shall be applied towards payment to each Affected Instructing Certificateholder of its Deliverable Cash Amount.

In order to receive delivery of the relevant Deliverable OCA Amount and payment of the relevant Deliverable Cash Amount (if any), each Instructing Certificateholder must deposit the relevant Certificate or the Certificate (if any) relating to such Certificate with any Paying Agent at its specified office and must supply to the Company and the Custodian such evidence of the aggregate principal amount of the Certificates held by such Instructing Certificateholder as the Company may require. The following shall, without limitation, constitute evidence satisfactory to the Company:

- (i) if the Certificates are Definitive Bearer Certificates, confirmation that all unmatured Coupons and/or Receipts (if any) appertaining to such Certificate(s) have been deposited with the relevant Paying Agent (or an indemnity from each Instructing Certificateholder in respect of any unmatured Coupons and/or Receipts (if any) not so surrendered as the Company may require); or
- (ii) if the Certificates are in global form held in a clearing system, a certificate or other document issued by Euroclear and/or Clearstream, Luxembourg and/or DTC or the relevant alternative clearing system as to the principal amount of the Certificates standing to the credit of the account of the person entitled to a portion thereof (a "**Relevant Accountholder**") confirming that such Relevant Accountholder has undertaken to Euroclear, Clearstream, Luxembourg, DTC or the relevant alternative clearing system expressly for the benefit of the Company that it will not sell, transfer or otherwise dispose of its Certificates (or any of them) or any interest therein at any time on or prior to the date of delivery of the Original Charged Assets,



together with, in either case, confirmation from the Paying Agent that the relevant Instructing Certificateholder has deposited the relevant Certificates (or in respect of Registered Certificates, the Certificate(s) relating thereto) with it. In the case of Uncertificated Certificates, a certificate or other document issued by the Registrar confirming the aggregate principal amount of the Certificates held by such Instructing Certificateholder shall constitute evidence satisfactory to the Company for this purpose.

A holder of Certificates in definitive form, at the same time as depositing such Certificates (or in respect of Registered Certificates, the Certificate(s) relating thereto) together with all unmatured Coupons and/or Receipts (if any) appertaining thereto, with the Paying Agent, shall specify to the Paying Agent its instructions concerning the delivery, assignment or other form of transfer to it, or any nominee for it, of the relevant Deliverable OCA Amount and the payment of the Deliverable Cash Amount (if any) to which it is entitled and the Paying Agent shall forthwith notify the Company, the Custodian (if the Original Charged Assets are held by the Custodian) and the Counterparty of such instructions.

If the Certificates are in global form and held in a clearing system, each Relevant Accountholder shall notify the Company, the Custodian (if the Original Charged Assets are held by the Custodian) and the Counterparty of its instructions concerning the delivery, assignment or other form of transfer to it, or any nominee for it, of the relevant Deliverable OCA Amount and the payment of the Deliverable Cash Amount (if any) to which it is entitled, which instructions must be submitted to the Company, the Custodian (if the Original Charged Assets are held by the Custodian) and the Counterparty together with the certificate or other document to be provided by Euroclear, Clearstream, Luxembourg, DTC or alternative clearing system, as the case may be, in accordance with the provisions above.

On receipt of such evidence by the Company and the Custodian and subject to each of the foregoing, the terms and conditions of the Original Charged Assets and to all applicable laws, regulations and directives, the relevant Deliverable OCA Amount of Original Charged Assets shall be delivered, assigned or transferred to an account with Euroclear or Clearstream, Luxembourg in accordance with the instructions given by the Portfolio Manager, if “Exercisable by Manager Direction” is specified in the applicable Pricing Conditions, or by the Instructing Certificateholders, if “Exercisable by Certificateholder Direction” is specified in the applicable Pricing Conditions. Any stamp duty or other tax payable in respect of the transfer of such Original Charged Assets shall be the responsibility of, and payable by, the relevant transferee. If an Aggregate Undeliverable OCA Amount exists, the relevant Deliverable Cash Amount(s) shall be paid on the date falling two Payment Business Days after receipt of the aggregate proceeds of such Liquidation by the Broker to an account with Euroclear or Clearstream, Luxembourg account as may be specified by the Portfolio Manager, if “Exercisable by Manager Direction” is specified in the applicable Pricing Conditions, or by the Instructing Certificateholders, if “Exercisable by Certificateholder Direction” is specified in the applicable Pricing Conditions.

With respect to a Series for which a substitution has been effected in accordance with this Condition 4(i), with effect from the relevant substitution date references to “Original Charged Assets” shall be read and construed as including the “New Charged Assets”.

## **5 Restrictions**

So long as any of the Certificates remain outstanding, the Company will not, without the consent of the Trustee, but subject to the provisions of Condition 4(e) and as more specifically defined and described in the Trust Deed (and with the Trust Deed having priority in the case of any inconsistency):

- (i) incur any indebtedness for borrowed moneys, other than as contemplated in these Conditions and the Trust Deed;
- (ii) engage in any business other than (i) the transactions contemplated by Condition 21, the Trust Deed, any Swap Agreement, the Custody Agreement and any other agreements relating to the Security of any Series and (ii) any other business contemplated in these Conditions and/or the Portfolio Management Agreement (if any);
- (iii) exercise any right to terminate the appointment of the Portfolio Manager (if any) under the Portfolio Management Agreement (if any) unless required to do so or directed by Certificateholders to do so as contemplated in these Conditions and/or the Portfolio Management Agreement and provided that any automatic termination of the appointment of the Portfolio Manager pursuant to the terms of the Portfolio Management Agreement shall not comprise an exercise of a right to terminate the appointment of the Portfolio Manager;
- (iv) declare any dividends (other than dividends contemplated by the Trust Deed); or
- (v) have any subsidiaries.

The Trustee shall give such consent unless in its opinion the interests of any Certificateholders (of any Series) would be materially prejudiced, or the Counterparty reasonably believes it would be materially prejudiced by the proposed action, subject, other than in respect of paragraph (iii) of this Condition 5, if any of the Certificates are then rated at the request of the Company, to Rating Agency Affirmation, and to any rating agency affirmation required in respect of any other Obligations issued or entered into by the Company.

The Company will comply with certain other restrictions more fully described in the Trust Deed. Notwithstanding the foregoing, in addition to the further issues under this Programme permitted under Condition 21 and subject, if any of the Certificates are then rated at the request of the Company, to Rating Agency Affirmation, and to any rating agency affirmation required in respect of any other Obligations issued or entered into by the Company, the Company shall be at liberty from time to time (without the consent of the Certificateholders or the Trustee provided the restrictions of this Condition 5 are complied with) to issue under this Programme other Certificates, loans, warrants, options, swaps or other obligations and to incur other indebtedness (whether or not represented by securities) and to enter into related transactions provided that (except as contemplated by the Trust Deed) such other certificates, loans, warrants, options, swaps or other obligations or indebtedness which do or does not form a single Series with the Certificates or any other existing certificates, loans, warrants, options, swaps or other obligations or indebtedness (i) (unless specified otherwise in the applicable Pricing Conditions) are secured (or, as the case may be, such other indebtedness is secured) on assets of the Company other than the assets comprising the security for any other existing obligations of the Company, and (ii) are issued or entered into (or is incurred) on terms in substantially the form contained in these Conditions which provide for all claims in respect of such certificates, loans, warrants, options, swaps or other obligations or indebtedness to be limited to the proceeds of the assets on which such certificates, loans, warrants, options, swaps or other obligations or indebtedness are or is secured. If the Certificates are Irish Listed Certificates, any further Certificates issued to form a single Series with the Certificates must also be Irish Listed Certificates. If the Certificates are Listed Certificates by virtue of a listing on a stock exchange other than Euronext Dublin, any further Certificates issued to form a single Series with the Certificates must also be listed on the same exchange as such Certificates.

## 6 Interest

### (a) *Interest Rate*

If the applicable Pricing Conditions specify the Interest Basis for a Basis Period to be Fixed Rate or Floating Rate, each Certificate bears interest on its Interest Bearing Amount during each Interest Accrual Period falling in such Basis Period at the rate per annum (expressed as a percentage) equal to the Interest Rate (which, if Fixed Rate is specified, will be a specified rate or rates (a “**Fixed Rate**”) or, if Floating Rate is specified, will be determined by means of a formula or a series of formulae or may be based on an Index Rate in the manner specified in the applicable Pricing Conditions (a “**Floating Rate**”), which may be different for different Interest Accrual Periods, or a combination thereof payable in the Relevant Currency in arrear (unless otherwise stated in the applicable Pricing Conditions) on each Specified Interest Payment Date specified in the applicable Pricing Conditions. If the applicable Pricing Conditions specify the Interest Basis for a Basis Period to be Zero Coupon, the Certificates shall not bear interest during such Basis Period. Any of the Interest Bearing Amount, the Interest Rate or mechanism for determining the Interest Rate or the currency of the interest payment may be different for different Basis Periods.

Except as otherwise specified in the applicable Pricing Conditions, interest will cease to accrue on each Certificate on the due date for redemption unless, upon due presentation, payment of the full amount of principal due on such due date for redemption is not made, in which event interest will continue to accrue on the unpaid amount of principal (after as well as before judgment) until the Relevant Date at the rate determined daily by the Calculation Agent to be the rate for overnight deposits in the Relevant Currency in which the payment is due to be made. Such interest shall be added annually to the overdue sum and shall itself bear interest accordingly.

### (b) *Calculations*

Unless otherwise specified in the applicable Pricing Conditions, the amount of interest payable in respect of any Certificate for any period shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate applicable to such period and the Interest Bearing Amount for such period by the relevant Day Count Fraction. If “Adjustment” is specified in the Fixed Rate or Floating Rate sections of the applicable Pricing Conditions to be applicable, then each Specified Interest Payment Date relating to such Fixed Rate or Floating Rate, as the case may be, together with any other date specified in the applicable Pricing Conditions to be so adjusted, shall be adjusted in accordance with the Business Day Convention specified in the relevant section with the Business Day Type for such purpose being Payment Business Days. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will, unless otherwise stated in the applicable Pricing Conditions, be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods. The Interest Amount in respect of each Denomination of the Certificates and the Specified Interest Payment Date so determined and calculated and published in accordance with Conditions 8 and 17 may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period.

## 7 Determination of Index Rates

### (a) *Index Rate Determination*

If any amount whether of principal or of interest is expressed in the applicable Pricing Conditions to be determined by reference to an Index Rate, the Calculation Agent shall determine the Index Rate (the “**Index Rate**”) on the basis of the following provisions:

- (i) At or about the Determination Time on the Determination Date relating to the respective Reset Date in respect of which the Index Rate is to be determined, the Calculation Agent will:
- (1) if it is specified in the applicable Pricing Conditions that the Primary Source for Index Rate Quotations shall be derived from a specified page, section or other part of a particular information service (each as specified in the applicable Pricing Conditions) (the “**Page**”, which expression includes any Replacement Page or Secondary Replacement Page referred to in paragraph (2) below), determine the Index Rate for such Reset Date which shall be:
    - (x) the Relevant Rate so appearing in or on the Page (where such Relevant Rate on the Page is a composite quotation or interest rate per annum or is customarily supplied by one entity); or
    - (y) the arithmetic mean (rounded, if necessary, to the next one hundred thousandth of a percentage point) of the Relevant Rates of the persons at that time whose Relevant Rates so appear in or on the Page; and
  - (2) if the Page specified in the applicable Pricing Conditions as a Primary Source for Index Rate quotations permanently ceases to quote the Relevant Rate(s) but such quotation(s) is/are available from another page, section or other part of such information service as is selected by the Calculation Agent (the “**Replacement Page**”), substitute the Replacement Page as the Primary Source for Index Rate quotations and, if no Replacement Page exists but such quotation(s) is/are available from a page, section or other part of a different information service selected by the Calculation Agent (the “**Secondary Replacement Page**”), substitute the Secondary Replacement Page as the Primary Source for Index Rate quotations,

and in the case of Certificates falling within Condition 7(a)(i)(1)(x), but in respect of which no Index Rate appears on the Page at or about the Determination Time or, as the case may be, Condition 7(a)(i)(1)(y), in respect of which fewer than two Relevant Rates appear on the Page at or about the Determination Time and, in each case, an Index Cessation Event (as defined in the 2006 ISDA Definitions) has not occurred, establish the Index Rate using the fall back provisions which would apply if the Index Rate were being set pursuant to the 2006 ISDA Definitions and the Floating Rate Option were the ISDA Equivalent specified in the applicable Pricing Conditions, the values assigned to the relevant variables were the same as those assigned in the applicable Pricing Conditions to the specified variables with the same names and all other terms referred to in the provisions of the 2006 ISDA Definitions for setting a rate were to have the meaning given to them pursuant to the 2006 ISDA Definitions. Where an Index Cessation Event has occurred, the provisions of Conditions 7(b) and 7(c) shall apply.
- (ii) Subject to the operation of Condition 7(b), if, at or about the Determination Time on any Reset Date where the Index Rate falls to be determined pursuant to the above provisions in respect of a Relevant Currency, no Index Rate is obtainable under Condition 7(a)(i)(2) and (a) the Calculation Agent has not determined that a Reference Rate Event has occurred and (b) the Calculation Agent is unable to determine a rate using the provisions specified in Condition 7(a)(i), the Calculation Agent shall notify the Company and the Certificateholders (in accordance with Condition 17) and the relevant Index Rate shall be the Index Rate determined on the immediately preceding Determination Date.

(b) *Occurrence of a Reference Rate Event*

- (i) If the Calculation Agent determines that a Reference Rate Event has occurred in respect of a Series, it shall, as soon as reasonably practicable, deliver a notice to the Company (such notice, the **"Reference Rate Event Notice"**) (copied to the Trustee, the Counterparty, the Principal Paying Agent and the Custodian) setting out a description in reasonable detail of the facts relevant to the determination that a Reference Rate Event has occurred, provided that no Reference Rate Event Notice shall be required to be delivered where the applicable Cut-off Date falls after the latest scheduled payment obligation of the Company under the Transaction Documents or the Reference Rate Event has occurred prior to the Issue Date.
- (ii) Following delivery of a Reference Rate Event Notice, in respect of a Series, the Calculation Agent shall as soon as reasonably practicable, attempt to determine:
- (1) a Replacement Reference Rate;
  - (2) an Adjustment Spread; and
  - (3) such other adjustments (the **"Replacement Reference Rate Ancillary Amendments"**) to the Conditions (including, but not limited to, any Business Day, Business Day Convention, Day Count Fraction, Determination Date, Interest Accrual Period Date, Interest Amount, Interest Payment Date, Interest Period, Interest Rate and Specified Interest Payment Date) which the Calculation Agent determines are necessary or appropriate in order to account for the effect of the replacement of the Reference Rate with the Replacement Reference Rate (as adjusted by the Adjustment Spread) and/or to preserve as nearly as practicable the economic equivalence of the Certificates before and after the replacement of the Reference Rate with the Replacement Reference Rate (as adjusted by the Adjustment Spread),
- (the amendments required to the Conditions to reflect paragraphs (1) to (3) together, the **"Replacement Reference Rate Amendments"**).
- (iii) If the Calculation Agent determines a Replacement Reference Rate, an Adjustment Spread and the Replacement Reference Rate Ancillary Amendments pursuant to paragraph (ii) above, the Calculation Agent shall deliver:
- (1) a notice to the Company (such notice, the **"Replacement Reference Rate Notice"**) (copied to the Trustee, the Counterparty, the Principal Paying Agent and the Custodian) which specifies any Replacement Reference Rate, any Adjustment Spread, the specific terms of any Replacement Reference Rate Amendments and the Cut-off Date; and
  - (2) a certificate to the Trustee (such certificate, a **"Replacement Reference Rate Amendments Certificate"**):
    - (I) specifying (w) the Reference Rate Event, (x) the Replacement Reference Rate, (y) the Adjustment Spread and (z) the specific terms of any Replacement Reference Rate Ancillary Amendments; and
    - (II) certifying that the Replacement Reference Rate Ancillary Amendments are necessary or appropriate in order to account for the effect of the replacement of the Reference Rate with the Replacement Reference Rate (as adjusted by the Adjustment Spread) and/or to preserve as closely as practicable the economic equivalence of the Certificates before and after the replacement of the Reference Rate with the Replacement Reference Rate (as adjusted by the Adjustment Spread).

- (iv) If either the Replacement Reference Rate Notice or the Replacement Reference Rate Amendments Certificate is not delivered at least two Payment Business Days before the Cut-Off Date, Condition 7(d) shall apply.
- (v) If the Company receives a Replacement Reference Rate Notice from the Calculation Agent at least two Payment Business Days before the Cut-Off Date, it shall, without the consent of the Certificateholders or the Couponholders, promptly make the Replacement Reference Rate Amendments, which amendments will take effect from the Cut-off Date (and the amendments effected by any amendment deed entered into following such date shall be expressed as taking effect as of the Cut-off Date). For the avoidance of doubt, references to the Reference Rate in the Certificates and the Transaction Documents will be replaced by references to the Replacement Reference Rate as adjusted by the Adjustment Spread (provided that the Replacement Reference Rate, after application of the Adjustment Spread, may not be less than zero).

The Trustee may rely, without further enquiry and without liability to any person for so doing, on a Replacement Reference Rate Amendments Certificate. Upon receipt of a Replacement Reference Rate Amendments Certificate, the Trustee shall agree to the Replacement Reference Rate Amendments without seeking the consent of the Certificateholders, the Couponholders or any other party and concur with the Company (at the Company's expense) in effecting the Replacement Reference Rate Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be required to agree to the Replacement Reference Rate Amendments if, in the opinion of the Trustee (acting reasonably), the Replacement Reference Rate Amendments would (I) expose the Trustee to any Related Liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (II) impose more onerous obligations upon it or expose it to any additional duties or responsibilities or reduce or amend the protective provisions afforded to the Trustee in the Conditions or any Transaction Document of any Series.

- (vi) The Company shall, promptly following the Replacement Reference Rate Amendments having been made, deliver a notice containing the details of the Replacement Reference Rate Amendments to the Certificateholders (in accordance with Condition 17).
- (vii) Neither the Calculation Agent nor the Trustee shall have any duty to monitor, enquire or satisfy itself as to whether any Reference Rate Event has occurred. The Calculation Agent shall not have any liability for giving or not giving any notice in respect of a Reference Rate Event, except to the extent caused by the Calculation Agent's own gross negligence, fraud or wilful misconduct.
- (viii) Any Replacement Reference Rate Amendments will be binding on the Company, the Transaction Parties, the Certificateholders and the Couponholders.

(c) *Specific provisions for certain Reference Rates*

With respect to a Reference Rate that would constitute a "Relevant Benchmark" for the purposes of the 2006 ISDA Definitions Benchmarks Annex as published by ISDA, if the definition of such Reference Rate includes a reference to a concept defined or otherwise described as an "index cessation event" (regardless of the contents of that definition or description) then, for the purposes of determining any Replacement Reference Rate and Adjustment Spread pursuant to Condition 7(b)(ii) and notwithstanding anything to the contrary in the Conditions, upon the occurrence of such an event, any fallback specified in that definition or description to apply following such an event (the "**Priority Fallback**") shall be taken into account by the Calculation Agent when making its determinations in accordance with Condition 7(b)(ii).

(d) *Interim Measures*

If, following a Reference Rate Event, the relevant Reference Rate is required for any determination in respect of the Certificates and, at that time:

- (i) no amendments have occurred in accordance with Conditions 7(b); and
- (ii) the Company has not notified the Certificateholders of the occurrence of a Reference Rate Default Event pursuant to Condition 10(d),

then, for the purposes of that determination:

- (1) if the Reference Rate is still available and representative (in relation to a Reference Rate Cessation), the Administrator/Benchmark Event Date has not yet occurred (in relation to an Administrator/Benchmark Event), the Risk-Free Rate Event Date has not yet occurred (in relation to a Risk-Free Rate Event) or the Representative Statement Event Date has not yet occurred (in relation to a Representative Statement Event) or the Material Change Event Date has not yet occurred (in relation to a Material Change Event), the level of the Reference Rate shall be determined pursuant to the terms that would apply to the determination of the Reference Rate as if no Reference Rate Event had occurred; or
- (2) if the level for the Reference Rate cannot be determined under paragraph (1) above, the level of the Reference Rate shall be determined by reference to the rate published in respect of the Reference Rate at the time at which the Reference Rate is ordinarily determined on (I) the day on which the Reference Rate ceased to be available or representative (in relation to a Reference Rate Cessation), (II) the Administrator/Benchmark Event Date (in relation to an Administrator/Benchmark Event), (III) the Risk-Free Rate Event Date (in relation to a Risk-Free Rate Event) or (IV) the Representative Statement Event Date (in relation to a Representative Statement Event) or (V) the Material Change Event Date (in relation to a Material Change Event) or, if no rate is published at that time, that rate is non-representative or that rate cannot be used in accordance with applicable law or regulation, by reference to the rate published at that time on the last day on which the rate was published or can be used in accordance with applicable law or regulation, as applicable.

(e) *Calculation Agent determination standard*

Whenever the Calculation Agent is required to act in any way under Condition 7(b), without prejudice to Condition 7(b)(vii), it will do so in accordance with Condition 8(f) and the provisions of the Agency Agreement.

(f) *Separate application of fallbacks*

If, in respect of a Series, there is more than one Reference Rate, then Conditions 7(b) and 7(c) shall apply separately to each such Reference Rate.

(g) *Acknowledgement in respect of Reference Rate modification*

If "Material Change Event" is not specified as being applicable in the Pricing Conditions and, in respect of a Series, the definition, methodology or formula for a Reference Rate, or other means of calculating such Reference Rate, is changed, then, unless otherwise specified in the applicable Pricing Conditions, references to that Reference Rate shall be to the Reference Rate as changed.

(h) *Occurrence of an Original Charged Assets Disruption Event*

- (i) If the Calculation Agent determines that an Original Charged Assets Disruption Event has occurred in respect of a Series, it shall, as soon as reasonably practicable, deliver a notice to the Company (such notice, the "**Original Charged Assets Disruption Event Notice**")

(copied to the Trustee, the Counterparty, the Principal Paying Agent and the Custodian), setting out a description in reasonable detail of the facts relevant to the determination that an Original Charged Assets Disruption Event has occurred.

- (ii) Following delivery of the Original Charged Assets Disruption Event Notice, the Calculation Agent shall, as soon as reasonably practicable, deliver a notice to the Company (copied to the Trustee, the Counterparty, the Principal Paying Agent and the Custodian):
  - (1) confirming that no amendments will be made to the Certificates as a result of such Original Charged Assets Disruption Event (an “**Original Charged Assets Disruption Event No Action Notice**”);
  - (2) specifying that amendments will be made to the Conditions and the Swap Agreement (the “**Original Charged Assets Disruption Event Amendments**”) and setting out a description in reasonable detail of such amendments (an “**Original Charged Assets Disruption Event Amendment Notice**”); or
  - (3) specifying that the Certificates will be redeemed (an “**Original Charged Assets Disruption Event Redemption Notice**”).
- (iii) If the Company receives an Original Charged Assets Disruption Event Amendment Notice from the Calculation Agent, it shall, without the consent of the Certificateholders or the Couponholders, promptly make the Original Charged Assets Disruption Event Amendments, provided that:
  - (1) the Company has not notified the Certificateholders (in accordance with Condition 17) that it has received an Original Charged Assets Disruption Event Redemption Notice pursuant to Condition 10(e);
  - (2) the purpose of the Original Charged Assets Disruption Event Amendments is to account for any Original Charged Assets Disruption Event Losses/Gains incurred by the Counterparty; and
  - (3) the Calculation Agent certifies in writing (such certificate, an “**Original Charged Assets Disruption Event Amendments Certificate**”) to the Trustee that the purpose of the Original Charged Assets Disruption Event Amendments is solely as set out in paragraph (2) above.

The Trustee may rely, without further enquiry and without liability to any person for so doing, on an Original Charged Assets Disruption Event Amendments Certificate. Upon receipt of an Original Charged Assets Disruption Event Amendments Certificate, the Trustee shall agree to the Original Charged Assets Disruption Event Amendments without seeking the consent of the Certificateholders, the Couponholders or any other party and concur with the Company (at the Company’s expense) in effecting the Original Charged Assets Disruption Event Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be required to agree to the Original Charged Assets Disruption Event Amendments if, in the opinion of the Trustee (acting reasonably), the Original Charged Assets Disruption Event Amendments would (x) expose the Trustee to any Related Liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (y) impose more onerous obligations upon it or expose it to any additional duties or responsibilities or reduce or amend the protective provisions afforded to the Trustee in the Conditions or any Transaction Document of any Series.



- (iv) The Company shall, promptly following making the Original Charged Assets Disruption Event Amendments, deliver a notice containing the details of the Original Charged Assets Disruption Event Amendments to the Certificateholders (in accordance with Condition 17).
- (v) Neither of the Calculation Agent nor the Trustee shall have any duty to monitor, enquire or satisfy itself as to whether any Original Charged Assets Disruption Event has occurred. The Calculation Agent shall not have any liability for giving or not giving any notice in respect of an Original Charged Assets Disruption Event, except to the extent caused by the Calculation Agent's own gross negligence, fraud or wilful misconduct.
- (vi) Whenever the Calculation Agent is required to act in any way under this Condition 7(h), without prejudice to Condition 7(h)(v), it will do so in accordance with Condition 8(f) and the provisions of the Agency Agreement.
- (vii) Any Original Charged Assets Disruption Event Amendments will be binding on the Company, the Transaction Parties, the Certificateholders and the Couponholders.

For the avoidance of doubt, if, for a Series, any Original Charged Assets Disruption Event Losses/Gains are:

- (1) a negative amount, such Original Charged Assets Disruption Event Losses/Gains may be accounted for by reducing the interest amount and/or principal amount payable (in each case subject to a minimum of zero) pursuant to the Certificates for the Series; or
- (2) a positive amount, such Original Charged Assets Disruption Event Losses/Gains may be accounted for by increasing the interest amount and/or principal amount payable pursuant to the Certificates for the Series.

## 8 Calculation and Publication of Variable Amounts

### (a) *Determination and publication of Interest Rates and Calculated Amounts by the Calculation Agent*

In respect of any calculation provided for in the applicable Pricing Conditions, the Calculation Agent shall, as soon as practicable after such time on such date as the Conditions may require any Redemption Amount or any Early Redemption Amount or any other amount which the Conditions may require to be calculated (each, a "**Calculated Amount**") to be calculated or any Interest Rate to be determined or any Interest Amount to be calculated or any quote to be obtained or any determination or calculation to be made, determine the Interest Rate and calculate the Interest Amount in respect of each Denomination of the Certificates for the relevant Interest Period, calculate the relevant Calculated Amount, obtain such quote and/or make such determination or calculation, as the case may be. The Calculation Agent shall cause the Interest Rate for each Interest Accrual Period and the Interest Amount for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, any Calculated Amount to be notified to the Principal Paying Agent, the Trustee, the Company and, if the relevant Certificates are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Accrual Period or Interest Period, if determined prior to such time, in the case of notification to such exchange of an Interest Rate or Interest Amount or (ii) the earlier of the date on which any relevant payment is due and the fourth London banking day (being a day, other than a Saturday or Sunday, on which commercial banks are open for business in London) after such determination or calculation. Unless otherwise stated in the applicable Pricing Conditions, any percentage resulting from such calculations will be rounded to the nearest 1/100,000th of a percentage point with 0.000005 per cent. being rounded upwards and any amount in the Relevant Currency shall be rounded, if necessary, downwards to

the nearest minimum unit of the Relevant Currency. As soon as reasonably practicable after receiving such notification, the Principal Paying Agent shall cause such information to be notified to each of the Paying Agents and to the Certificateholders (in accordance with Condition 17).

Notwithstanding anything to the contrary in these Conditions or the Agency Agreement or Trust Deed, where in respect of Bearer Certificates the applicable Pricing Conditions specify that the Denomination may comprise a Minimum Denomination and integral multiples of a Calculation Amount in excess thereof, then each calculation of an amount payable on a Certificate hereunder shall be made on the basis of the Calculation Amount (and, for the purpose of making such calculation, references in these Conditions to Denomination save for the reference to Denomination in Calculation Amount Factor below shall be deemed to be to the Calculation Amount) such that the amount payable on any particular Certificate is equal to the product of the amount produced by such calculation (after applying any applicable rounding in accordance with the Conditions) and the Calculation Amount Factor of that particular Certificate. The Calculation Agent shall only be required to make calculations of amounts payable on the Certificates on the basis of the Calculation Amount and any publication or notification of amounts will be on such basis. Where the applicable Pricing Conditions specify that the Denomination is the same as the Calculation Amount then the terms "Denomination" and "Calculation Amount" shall be construed interchangeably herein.

References herein to "minimum unit of the Relevant Currency" shall be read and construed as references to the lowest amount of the Relevant Currency that is available as legal tender (e.g. one cent or one pence).

*(b) Calculation Agent*

The Company will procure that there shall at all times be a Calculation Agent if the provisions of the Certificates so require and for so long as any Certificate is outstanding.

The Calculation Agent may not resign its duties without a successor having been appointed. The Calculation Agent shall continue to make the calculations and/or determinations required of it under these Conditions until a replacement Calculation Agent is appointed.

All calculations and determinations made by the Calculation Agent in relation to the Certificates shall (save in the case of manifest error) be final and binding on the Company, the Trustee, the agents appointed under the Agency Agreement, the Certificateholders and the Couponholders (if any). In making any calculation or determination hereunder, or delivering any notice hereunder or exercising any discretion, the Calculation Agent does not assume any responsibility or liability to anyone other than the Company for whom it acts as agent. In particular, it assumes no responsibility to Certificateholders, Couponholders, the Trustee or any other persons in respect of its role as Calculation Agent and, without limitation, shall not be liable for any loss (whether a loss of profit, loss of opportunity or consequential loss), cost, expense or any other damage suffered by any such person.

The Calculation Agent shall not be liable to the Company for any errors in calculations or determinations made by it hereunder, or any failure to make, or delay in making, any calculations or determinations (irrespective of whether such error, failure or delay affects any other calculations or determinations made hereunder) in the manner required of it by the Conditions save that the Calculation Agent shall be liable to the Company (but not to any other person or persons, including Certificateholders, Couponholders and the Trustee) where such error, failure or delay arose out of its bad faith, fraud or gross negligence. For this purpose, "gross negligence" shall not include operational delay or failure, save for where such operational delay or failure is such that no reasonable person performing functions similar to those of the Calculation Agent in comparable circumstances, and working within standard office hours, could have justified such delay. Notwithstanding anything to the contrary in the foregoing, it is explicitly acknowledged (and shall be

taken into account in any determination of whether it has been grossly negligent) that the Calculation Agent will also be performing calculations and other functions with respect to transactions other than the Certificates and that it may make the calculations required by the Certificates and other calculations and other functions required by such other transactions in such order as seems appropriate to it and shall not be liable for the order in which it elects to perform calculations or other functions or for any delay caused by electing to perform calculations and other functions for such other transactions prior to those in respect of the Certificates, except to the extent caused by the Calculation Agent's own gross negligence, fraud or wilful misconduct.

Where the Calculation Agent determines that, as a result of market disruption, force majeure, systems failure or any other event of an analogous nature, it is unable to make a calculation or determination in the manner required by these Conditions, then the Calculation Agent shall notify the Company thereof as soon as practicable, and the Calculation Agent shall not be liable for failure to make such calculation or determination in the required manner, except to the extent caused by the Calculation Agent's own gross negligence, fraud or wilful misconduct.

Where the Calculation Agent determines that (i) it has not received the necessary information from any person or other source that is expected to deliver or provide the same pursuant to the Conditions or any Related Agreement which means that it is unable to make a determination required of it in accordance with the Conditions or the provisions of a Related Agreement and/or (ii) one or more provisions (including any mathematical terms and formulae) contained in the Conditions or any Related Agreement appear to the Calculation Agent (taking into account the context of the transaction as a whole and its background understanding) to be erroneous on the basis that it is impossible to make such calculation or that such provisions produce a result that, in the opinion of the Calculation Agent, is economically nonsensical, the Calculation Agent shall be permitted to make its determination on the basis of the provisions of the Conditions or such Related Agreement but may make such amendments thereto as, in its opinion, are necessary to cater for relevant circumstances falling under (i) and/or (ii) above.

The Calculation Agent may be any Counterparty or an Affiliate of any Counterparty (which Counterparty is also a secured creditor pursuant to the Trust Deed). Notwithstanding the above, the Calculation Agent shall be entitled to take or refrain from taking, in any capacity, any action that it would be entitled to take or refrain from taking in that capacity if it were not acting in any other capacity. The Calculation Agent and its Affiliates may enter into any contracts or any other transactions or arrangements with the Company or any other Transaction Party, the Certificateholders, any obligor in respect of the Charged Assets (or any part of them) or any Affiliate thereof (whether in relation to the Certificates or in any other manner whatsoever) or in relation to the Security and may hold or deal in or be a party to the assets, obligations or agreements which comprise the Charged Assets. The Calculation Agent shall not be required to disclose any such contract, transaction or arrangement to the Certificateholders or the Trustee and shall be in no way accountable to the Company or (save as otherwise provided in these Conditions) to the Certificateholders or the Trustee for any profits or benefits arising from any such contract, transaction or arrangement. None of the Company, the Trustee or the agents appointed under the Agency Agreement (other than the Calculation Agent) shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

(c) *Determination of Credit Events*

In relation to any investigations or determinations made by the Calculation Agent with respect to matters relating to (and including) Credit Events (as defined in the applicable Pricing Conditions, where relevant), no failure to exercise, nor any delay in exercising, any right (including, without limitation, the right to deliver notices), power or remedy by the Calculation Agent under the Conditions of the Certificates in respect of any such investigation and/or determination shall impair

or operate as a waiver thereof in whole or in part, and no single or partial exercise by the Calculation Agent of any such right, power or remedy under the terms and conditions of the Certificates shall prevent any further or other exercise thereof or the exercise of any other right, power or remedy in respect of any such investigation and/or determination. The rights and remedies described above are cumulative and not exclusive of any rights or remedies provided by law.

(d) *The Portfolio Manager*

All elections, calculations and determinations made by the Portfolio Manager in respect of the Swap Agreement (if any) relating to the Certificates shall (save as otherwise provided in the Portfolio Management Agreement) be final and binding on the Company, the Trustee, the agents appointed under the Agency Agreement, the Certificateholders and the Couponholders (if any).

(e) *Standard of care for calculation, determination or other exercise of discretion*

All calculations and determinations and other exercises of discretion made by the Calculation Agent or the Company under the Conditions shall be made (i) in good faith and (ii) unless the Conditions specifically provide that the relevant calculation or determination or other exercise of discretion shall be made in the sole and absolute discretion (or another standard of care) of the relevant entity, a commercially reasonable manner and (where and to the extent that such calculation or determination or other exercise of discretion or outcome thereof is subject to a regulatory obligation of the relevant entity to ensure fair treatment) which takes into account whether fair treatment is achieved by any such calculation, determination or other exercise of discretion or outcome thereof in accordance with such applicable regulatory obligations.

## 9 Business Day Convention

If any date which is specified in the applicable Pricing Conditions to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not of the relevant Business Day Type, then, if the Business Day Convention specified is (i) the Floating Rate Convention, the relevant date shall be postponed to the next day which is of the relevant Business Day Type unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding day of the relevant Business Day Type, and (2) each subsequent such date shall be the last day of the relevant Business Day Type of the month in which the relevant date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a day of the relevant Business Day Type, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a day of the relevant Business Day Type unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding day of the relevant Business Day Type, or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding day of the relevant Business Day Type.

In addition to the above, where “TARGET” is specified instead of a city in respect of any business day centre or convention, it shall mean that to be a business day of the relevant type, the day must be a day on which the TARGET System is open for the settlement of payments in euro.

## 10 Redemption and Purchase

(a) *Final redemption*

Unless (i) this Certificate is previously redeemed or purchased and cancelled as provided below or (ii) the Certificates are declared due and repayable in accordance with Condition 13 or are due to redeem in accordance with Condition 10(b), Condition 10(c), Condition 10(d) or Condition 10(e), this Certificate will be redeemed on the Maturity Date specified in the applicable Pricing Conditions

at the Redemption Amount in the Relevant Currency, together with interest (if any) accrued to the date of redemption. Each of the Scheduled Maturity Date and the Maturity Date (if different) shall be subject to adjustment in accordance with the Business Day Convention specified in the section relating to Condition 10 in the applicable Pricing Conditions with the Business Day Type for this purpose being Payment Business Days; provided that if no such Business Day Convention is specified then the applicable Business Day Convention shall be that applicable in respect of Specified Interest Payment Dates.

In respect of any Certificate which is redeemable in instalments or which is redeemable at the option of the Company or at the option of the Certificateholders, the terms on which such Certificate redeems shall be specified in the Pricing Conditions.

*(b) Redemption on termination of the Swap Agreement (if any)*

If either party to the Swap Agreement (if any) designates an Early Termination Date in respect of the Swap Agreement (other than in respect of (i) a Reference Rate Default Event (as defined in Condition 10(d)), except for a Reference Rate Default Event that constitutes a Swap Agreement Transfer Right Event (by reason of the occurrence of a Counterparty Reference Rate Default Event) and the Counterparty has designated such Early Termination Date within 20 days of the date of occurrence of such Counterparty Reference Rate Default Event or (ii) an Original Charged Assets Disruption Event (as defined in Condition 10(e)), then the Company shall redeem all but not some only of the Certificates at their Early Redemption Amount on the Early Redemption Date. For the avoidance of doubt, because the Early Redemption Date could be up to 20 Payment Business Days following the start of the related Liquidation Period, this may result in the Early Redemption Date falling after the date defined as the Maturity Date of the Certificates. No separate amount of interest will be payable on the Early Redemption Date in respect of accrued interest. Notice of any such redemption shall be given to the Certificateholders (in accordance with Condition 17) as soon as practicable after the designation of the Early Termination Date.

*(c) Redemption for taxation*

(i) If:

- (x) a Charged Assets Redemption Event occurs;
- (y) a Charged Assets Tax Event occurs; or
- (z) a Holder Information Reporting Compliance Default occurs and the Company reasonably determines that such Holder Information Reporting Compliance Default may cause a payment received or payable by the Company to be subject to a deduction or withholding or cause the Company to suffer a fine or penalty, in each case, pursuant to an Information Reporting Regime,

the Company shall as soon as practicable after becoming aware thereof notify the Certificateholders (in accordance with Condition 17), the Trustee, the Principal Paying Agent, the Custodian, any Counterparty and any Portfolio Manager and, subject to such notification, shall then redeem all but not some only of the Certificates at their Early Redemption Amount on the Early Redemption Date. In such circumstances, no separate amount will be payable in respect of accrued interest.

(ii) If at any time:

- (1) (in respect of the Company only) the Company or any Paying Agent will be required to make a withholding or deduction such as is referred to in Condition 22(a) other than a withholding or deduction in respect of an Information Reporting Regime or Section 871(m) of the U.S. Internal Revenue Code (a "**Withholding Tax Event**"); or

- (2) the Company is, or the Company on reasonable grounds satisfies the Trustee that the Company will be, subject to any law, regulation, regulatory requirement or double taxation convention or the interpretation or application thereof or to a tax charge (whether by direct assessment or by withholding at source) or other governmental imposition by any jurisdiction which would materially increase the cost to it of complying with its obligations under the Trust Deed or under the Certificates or materially increase the operating or administrative expenses of the Company or the arrangements under which the shares in the Company are held or otherwise oblige the Company or the Trustee to make any payment on, or calculated by reference to, the amount of any sum received or receivable by the Company or the Trustee or by the Trustee on behalf of the Company as contemplated in the Trust Deed (and such increased cost, increased operating or administrative expense or payment, as the case may be, is beyond the control of the Company or the Calculation Agent) other than where such tax charge or other governmental imposition arises as a result of an Information Reporting Regime or Section 871(m) of the U.S. Internal Revenue Code (an “**Increased Tax Event**”),

then the Company shall, to the extent that it has not already done so, inform the Certificateholders (in accordance with Condition 17) and the Trustee accordingly.

Subject to the following paragraph of this Condition 10(c), upon the occurrence of a Withholding Tax Event or an Increased Tax Event with respect to the Company, such Company shall use reasonable endeavours to change the place of residence for taxation purposes in a tax-efficient manner and without incurring material costs or to effect a substitution of the principal debtor hereunder as described in Condition 18 in each case so that the relevant obligation to make a withholding or deduction or the material increase or other payment referred to in (2) above does not arise. The Company shall be obliged before taking such action (1) to obtain the consent in writing of the Counterparty (if any), which consent may be conditional upon (a) the documentation with respect to such transfer being in form and substance satisfactory to the Counterparty (if any) including with respect to the representations and warranties as to facts, circumstances and laws subsisting in the new jurisdiction and (b) no Event of Default or Termination Event (each as defined in the Swap Agreement, if any) occurring under the Swap Agreement (if any) as a result of giving effect to such transfer or substitution, (2) to obtain the consent of the Portfolio Manager (if any), such consent not to be unreasonably withheld, and (3) to obtain any applicable Rating Agency Affirmation in respect thereof.

Notwithstanding the foregoing, if a Withholding Tax Event occurs with respect to the Company:

- (i) owing to the connection of any Certificateholder or Couponholder with any jurisdiction otherwise than by reason only of the holding of any Certificate or Receipt or Coupon or receiving principal or interest in respect thereof; or
- (ii) by reason of the failure by the relevant Certificateholder or Couponholder to comply with any applicable procedures required to establish non-residence or any other similar claim for exemption from such tax; or
- (iii) in respect of any Certificate, Receipt or Coupon presented for payment by or on behalf of a Certificateholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Certificate, Receipt or Coupon to another Paying Agent,

then such Company shall be under no obligation to change its place of residence for taxation purposes or to effect a substitution of the principal debtor as a result of such Withholding Tax Event and, to the extent it is able to do so, the Company shall deduct such taxes from the amounts payable to such Certificateholder and Couponholder but this shall not affect the rights of the other

Certificateholders or Couponholders (if any) hereunder. Any such deduction shall not constitute an Event of Default under Condition 13.

Upon the occurrence of an Increased Tax Event then, unless the Company subject to such Increased Tax Event has changed its place of residence for taxation purposes or effected a substitution of the principal debtor in accordance with the above, the Company shall notify the Certificateholders (in accordance with Condition 17), the Trustee and Counterparty (if any) that the Certificates are to redeem in accordance with this Condition 10(c)(ii) and, subject to such notification, shall then redeem the Certificates then outstanding at their Early Redemption Amount on the Early Redemption Date. In such circumstances, no separate amount will be payable in respect of accrued interest.

(d) *Redemption Following a Reference Rate Event*

If, in respect of a Series:

- (i) it (A) is or would be unlawful at any time under any applicable law or regulation or (B) would contravene any applicable licensing requirements, for the Calculation Agent to perform the actions prescribed in Condition 7(b) (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time); or
- (ii) the Calculation Agent determines that an Adjustment Spread is or would be an interest rate, benchmark, index or other price source whose production, publication, methodology or governance would subject the Calculation Agent, the Counterparty or the Company to material additional regulatory obligations (each of (i) and (ii) above, a “**Reference Rate Default Event**”),

then the Calculation Agent shall give notice of such fact to the Company (copied to the Principal Paying Agent, the Trustee, the Counterparty and the Custodian). The Company shall then notify the Certificateholders of such fact (in accordance with Condition 17) as soon as is practicable upon being so notified and the Company shall redeem all but not some only of the Certificates at their Early Redemption Amount on the Early Redemption Date, and which shall be the only amount payable in respect of such Certificates and there will be no separate payment of any unpaid accrued interest thereon), provided that, if the occurrence of a Reference Rate Default Event under subparagraph (ii) above constitutes a Swap Agreement Transfer Right Event (by reason of the occurrence of a Counterparty Reference Rate Event), then the Company shall only so redeem all but not some only of the Certificates if the Counterparty has not exercised its right under the Swap Agreement to transfer its obligations and rights under the Swap Agreement to an Eligible J.P. Morgan Transferee within 20 days of the date of occurrence of such Swap Agreement Transfer Rights Event in accordance with Part 5.5 of the Master Swap Agreement.

(e) *Redemption Following an Original Charged Assets Disruption Event*

If, in respect of a Series, the Calculation Agent has given an Original Charged Assets Disruption Event Redemption Notice to the Company (copied to the Principal Paying Agent, the Trustee, the Counterparty and the Custodian), then the Company shall notify the Certificateholders of such fact (in accordance with Condition 17) as soon as is practicable upon being so notified and attach to that a copy of the Original Charged Assets Disruption Event Redemption Notice or include the information provided therein and the Company shall redeem all but not some only of the Certificates at their Early Redemption Amount on the Early Redemption Date, and which shall be the only amount payable in respect of such Certificates and there will be no separate payment of any unpaid accrued interest thereon).

Neither the Company nor any Transaction Party shall have any duty to monitor, enquire or satisfy itself as to whether any Original Charged Assets Disruption Event has occurred. No Transaction

Party shall have any obligation to give, nor any responsibility or liability for giving or not giving, any notice in respect of an Original Charged Assets Disruption Event. If the Calculation Agent gives an Original Charged Assets Disruption Event Redemption Notice to the Trustee, the Trustee shall be entitled to rely conclusively on such notice without further investigation.

(f) *Purchase*

The Company may at any time purchase Certificates in the open market or otherwise at any price provided that (i) in the case of Bearer Certificates, they are purchased together with all unmatured Coupons, Talons and Receipts relating to them and (ii) in the case of Certificates originally issued in more than one Class, the Company shall only be permitted to purchase Certificates from a Class that is subordinated to one or more Classes if the Company also purchases, at the same time, a notional amount of Certificates from each such senior Class of Certificates such that the proportion that the outstanding principal amount of the junior Class of Certificates bears to the outstanding principal amount of each senior Class of Certificates is equal to or greater than the corresponding proportion as at the original issuance. For the avoidance of doubt, the Company may at any time purchase Certificates from a Class that is not subordinated to any other Class of Certificates without being required to purchase an equivalent proportion of the related junior Class(es) of Certificates.

All Certificates so purchased (“**Purchased Certificates**”) and any unmatured Coupons, Talons and Receipts attached to or surrendered with Bearer Certificates may, at the option of the Company, be held by it (and, at the option of the Company, subsequently re-issued or resold) or may be cancelled, in which latter case they may not be re-issued or resold. On any such purchase of such Certificates by the Company, there will be a *pro rata* reduction in payments under any Swap Agreement(s) and, so far as the denominations of the Outstanding Charged Assets being realised or disposed of will allow, in the aggregate amount of the Outstanding Charged Assets held by the Company, and, in addition, such adjustments to the amount of any Credit Support Balance (VM) under any Credit Support Annex as are required in connection therewith, which transactions will in aggregate leave the Company with no net liabilities in respect thereof; provided that any selection of individual assets comprised in the Outstanding Charged Assets to be realised or disposed of shall be made on a *pro rata* basis so far as the denominations of the Outstanding Charged Assets being realised or disposed of will allow. On any subsequent resale or re-issue of such Certificates which the Company has elected not to cancel, either (i) there will be a *pro rata* increase in payments under each Swap Agreement (if any) and in the amount of the Outstanding Charged Assets or (ii) a new Swap Agreement will be entered into and new Outstanding Charged Assets will be acquired by the Company.

In connection with the redemption, realisation or disposal of any Outstanding Charged Assets, corresponding amendments shall be effected to the Swap Agreement (if any) to ensure that the Company is due to receive cashflows necessary, when taken together with its payment obligations to the Counterparty under the Swap Agreement (if any) and amounts receivable by it in respect of the remaining Outstanding Charged Assets, to meet its payment obligations in respect of the remaining Certificates outstanding.

(g) *Cancellation*

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



(h) *Minimum Redemption Amount*

Notwithstanding anything else in the Conditions, the minimum Redemption Amount and the minimum Early Redemption Amount of any Certificate will not be less than an amount such that the sum of principal and interest (if any) due on the Certificate is zero.

## 11 Redemption Amount and Early Redemption Amount

Unless otherwise specified in the applicable Pricing Conditions, the “**Redemption Amount**” in respect of each Certificate shall be the Denomination of the Certificate.

Subject to Condition 4(d), the “**Early Redemption Amount**” shall be as specified in the relevant Pricing Conditions, save that if no Early Redemption Amount is specified then the Early Redemption Amount shall be the Standard Early Redemption Amount. The “**Standard Early Redemption Amount**” shall be an amount per Certificate determined by the Calculation Agent to be that Certificate’s *pro rata* share of (i) the Relevant Currency Proceeds plus (ii) any Termination Payment in respect of the Swap Agreement (if any) which is payable to the Company (together, if applicable, with any interest payable thereon) minus (iii) any Termination Payment in respect of the Swap Agreement (if any) which is payable by the Company to the Counterparty (together, if applicable, with any interest payable thereon) and minus (iv) any Priority Payments. The Early Redemption Amount shall be expressed on a per Certificate basis and shall be subject always to Condition 10(h).

If, in determining the Actual Currency Proceeds (and, therefore, the Relevant Currency Proceeds and the Early Redemption Amount), the Calculation Agent is required to use a fair market value for any Outstanding Assets as a result of their not having been realised as at the Early Valuation Date then, upon the Liquidation or enforcement of Security and realisation of such Outstanding Assets in full, the Calculation Agent shall determine whether the Standard Early Redemption Amount that would have been payable per Certificate would have been greater had the actual realisation value been used instead of the fair market value at the time of determination and, if so, the Company shall make payment to Certificateholders of the difference (determined on a per Certificate basis) (such difference per Certificate being a “**Make-Whole Amount**”).

## 12 Payments and Talons

(a) *Bearer Certificates*

Payments of principal and interest in respect of any Bearer Certificates will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates (in the case of payments of principal and, in the case of interest, as specified in Condition 12(f)(v)) or Coupons (in the case of interest, save as specified in Condition 12(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in the currency in which such payment is due with a bank in the principal financial centre of the country of that currency or in such city.

(b) *Registered Certificates*

- (i) Payments of principal in respect of Registered Certificates which are not Uncertificated Certificates will be made against presentation and surrender of the relevant Certificates at the specified office of any of the Paying Agents and in the manner provided in Condition 12(a) for the purpose of Bearer Certificates.
- (ii) Payments of principal in respect of Uncertificated Certificates and payments of interest on all Registered Certificates will be made to the person shown on the Register at the close of business on the Record Date. Such payments will be made by transfer to an account in the

relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency or in such city.

- (iii) Subject to Condition 22, to receive a payment on any Registered Certificate without withholding or deduction for, or on account of, any taxes imposed by the U.S. authorities, the Company may require a relevant Certificateholder to produce a form W8-BEN or equivalent non-U.S. resident tax form in the case of a U.S. non-resident holder, or a form W-9 or equivalent U.S. resident tax form in the case of a U.S. resident holder, in each case establishing an exemption from U.S. withholding tax and each Certificateholder agrees to produce such form upon request.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Certificates are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Company shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Certificates in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law.

(d) *Payments subject to law etc.*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment to which the Company agrees to be subject and the Company will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 22. No commission or expenses shall be charged to the Certificateholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Paying Agents, the Registrar, the Transfer Agents and any Calculation Agent initially appointed by the Company and their respective specified offices are listed below. The Paying Agents, the Registrar, the Transfer Agents and any Calculation Agent act solely as agents of the Company and do not assume any obligation or relationship of agency or trust for or with any holder. The Company reserves the right at any time to vary or terminate the appointment of any Paying Agent, the Registrar, any Transfer Agent or any Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents or a new Registrar or Calculation Agent, provided that it will at all times maintain (i) a Principal Paying Agent, (ii) a Registrar in relation to Registered Certificates, (iii) one or more Transfer Agents in relation to Registered Certificates, at least one of which is based in a major European city, (iv) as applicable, a Paying Agent in such city as may be required by any stock exchange, (v) in the case of Registered Certificates, as applicable, a Transfer Agent in such city as may be required by any stock exchange and (vi) a Calculation Agent where the Conditions so require one.

In addition, the Company shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Certificates denominated in U.S. dollars in the circumstances described in Condition 12(c).

Notice of the appointment of any new agents (which, for this purpose, shall be deemed to include any Custodian or Portfolio Manager), or the termination of the appointment of any existing agents (which, for this purpose, shall be deemed to include any Custodian or Portfolio Manager) or any change of any specified office of an existing agent (which, for this purpose, shall be deemed to include any Custodian or Portfolio Manager) will promptly be given to the Certificateholders (in accordance with Condition 17).

(f) *Unmatured Coupons and Receipts and unexchanged Talons*

- (i) Upon the due date for redemption of any Certificate, unexpired Coupons relating to such Certificate (whether or not attached) shall become void and no payment shall be made in respect of them.
- (ii) Upon the due date for redemption of any Certificate, any unexpired Talon relating to such Certificate (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iii) Upon the due date for redemption of any Certificate which is redeemable in instalments, all Receipts relating to such Certificate having an instalment date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iv) Where any Certificate is presented for redemption without all unexpired Receipts, unexpired Coupons and any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Company may require.
- (v) If the due date for redemption of any Certificate is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Certificate. Interest accrued on a Certificate which only bears interest after its Maturity Date or date of redemption shall be payable on redemption of such Certificate against presentation thereof.

(g) *Non-Business Days*

If any date for payment in respect of any Certificate, Receipt or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following Business Day or to any interest or other sum in respect of such postponed payment.

(h) *Talons*

On or after the Specified Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Certificate, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (but excluding any Coupons which may have become void pursuant to Condition 14).

(i) *Restitution*

If any amount is mistakenly paid to a Certificateholder in respect of the Certificates when no such amount was due (whether as a result of a miscalculation or otherwise), such payment shall be reimbursed by the relevant Certificateholder to the Company and, if no such reimbursement is made, the Company may reduce any subsequent payments owed by it to such Certificateholder by all or part of such un-reimbursed amounts in satisfaction (or partial satisfaction) thereof and may take such action as it deems fit to recover any outstanding un-reimbursed amounts. In respect of any repayment of any such amount, the amount repaid shall be deposited by the Company with the Custodian but shall not form part of the Mortgaged Property for the Certificates. Any such reduction or reimbursement shall, to the extent relevant, be applied by the Company in meeting the claims of the Custodian, the Principal Paying Agent and/or the Counterparty for repayment of any amount of such mistaken payment funded or reimbursed by the Custodian, the Principal Paying Agent or the Counterparty, as the case may be (or, where such reduction or reimbursement is for less than the full amount of any such claims, in meeting such claims *pro rata*). Only after satisfaction of all such claims shall the amount remaining (if any) be deemed, for purposes of these Conditions, to have been derived from the Mortgaged Property for the Certificates.

### 13 Events of Default

Any of the following events shall be “**Events of Default**”:

- (i) if default is made for a period of five Payment Business Days or more in the payment of any principal or interest due in respect of the Certificates or any of them or in payment of any Management Fees (as defined in the Portfolio Management Agreement) due to the Portfolio Manager (if any) when the same shall become due and payable; or
- (ii) if the Company fails to perform or observe any of its other obligations under the Certificates or the Trust Deed (other than a failure resulting from a Charged Assets Default) and such failure continues for a period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Company of notice requiring the same to be remedied; or
- (iii) if a Bankruptcy Event of Default occurs; or
- (iv) if a Charged Assets Default occurs,

provided that no event falling under paragraph (iii) of the definition of Event of Default above shall constitute an Event of Default if the action referred to in such Condition and otherwise constituting the Event of Default is taken by any person in breach of any contractual provision prohibiting such person from taking such action unless such action results in the appointment by a court of competent jurisdiction of a receiver, administrator, liquidator, examiner, assignee, sequestrator or other similar official or the entry of a decree or order by such a court for an encumbrancer to take possession or for execution or other process to be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Company.

If an Event of Default occurs, whether or not any Event of Default is continuing, the Trustee at its discretion may, and shall (x) if so requested in writing by the holders of at least 20 per cent. of the aggregate principal amount of the Certificates then outstanding or (y) if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of Certificates then outstanding (provided, in each case, the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities), give notice (each, an “**Event of Default Notice**”) to the Company, the Counterparty (if any), the Principal Paying Agent and the Calculation Agent that the Certificates are, and they shall then accordingly become, due and repayable on the Early Redemption Date at the Early Redemption Amount (and no separate amount of interest will be payable in respect of accrued interest). If an Event of Default Notice is not delivered by the Trustee within 30 days of the date on which the relevant Event of Default occurred and such Event of Default is continuing after such period, the Certificates shall become due and repayable on the Early Redemption Date at the Early Redemption Amount (and no separate amount of interest will be payable in respect of accrued interest).

The Company will, as soon as practicable following its becoming aware of the relevant event, give notice to each Rating Agency of any event which either constitutes an Event of Default under this Condition or is an event falling under paragraph (ii), (iii) or (iv) of the definition of Event of Default above. For the avoidance of doubt, nothing herein shall be construed as imposing an obligation to consult with any Rating Agency over whether the occurrence of an event described under this Condition would result in a withdrawal or downgrading of the current rating of the Certificates.

Subject always to the terms of the Trust Deed, only the Trustee may pursue the remedies against the Company for any breach by the Company of the terms of the Trust Deed, the Certificates or the Coupons and no Certificateholder or Couponholder shall be entitled to proceed directly against the Company unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so within a reasonable period and such failure is continuing.

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

#### **14 Prescription**

Claims in respect of Certificates, Receipts and Coupons (but not Talons) shall become void and be prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Certificates, Redemption Amounts, or other Calculated Amounts and (ii) "**interest**" shall be deemed to include all Interest Amounts.

#### **15 Agents of the Trustee**

Each of the Paying Agents, the Registrar, the Transfer Agent(s) and the Custodian acts solely as agent of the Company unless an Event of Default has occurred or a valid Enforcement Notice has been given in which case each of the Paying Agents, the Registrar, the Transfer Agent(s) and the Custodian will, if required to do so by the Trustee in writing, act as agent of the Trustee, and will not assume any relationship of agency or trust with the Certificateholders.

#### **16 Replacement of Certificates, Receipts, Coupons and Talons**

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

#### **17 Notices**

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

All notices to holders of Bearer Certificates will be published in one or more daily newspapers with circulation in Europe. Any such notice to holders of Bearer Certificates shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

In addition, if and for so long as the Certificates are Listed Certificates, all notices to holders of Certificates will be published in accordance with the rules of the relevant stock exchange on which the Certificates are listed.

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

## 18 Meetings of Certificateholders; Modification; Waiver; and Substitution

### (a) *Modification by Certificateholders' actions*

The Trust Deed contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of the Conditions of the Certificates. The quorum at any such meeting for passing an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in principal amount of the Certificates for the time being outstanding, or at any adjourned meeting, one or more persons being or representing Certificateholders, whatever the principal amount of the Certificates so held or represented, except that, *inter alia*, the terms of the Security and certain terms concerning the amount and currency and the postponement of the due dates of payment of the Certificates, Receipts and Coupons (except where such modification is not materially prejudicial to Certificateholders), or the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass an Extraordinary Resolution, may be modified only by resolutions passed at a meeting the quorum (the "**Special Quorum**") at which shall be one or more persons holding or representing two-thirds, or at any adjourned such meeting not less than one-third, in principal amount of the Certificates for the time being outstanding. A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Certificates of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed (a "**Written Resolution**") shall for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied) be deemed to be an Extraordinary Resolution passed at a meeting of such Certificateholders duly convened and held in accordance with the provisions of the Trust Deed. An Extraordinary Resolution passed at any meeting of Certificateholders (or by Written Resolution) will be binding on all Certificateholders, whether or not they were present at such meeting or participated in such Written Resolution, and on the holders of Coupons, Receipts and Talons.

### (b) *Modification without Certificateholders' consent*

The Trustee may agree, without the consent of the Certificateholders or holders of Coupons, Receipts and Talons, to (i) any modification of any of the provisions of the Trust Deed, any other Security Document or any Related Agreement as each affects the Certificates which is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any modification (except as aforesaid), waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed, any other Security Document or any Related Agreement as each affects such Series which, in any such case, is not in the opinion of the Trustee materially prejudicial to the interests of the Certificateholders but such power in this sub-paragraph (ii) does not extend to any such modification, waiver or authorisation as would require a special quorum for any Extraordinary Resolution approving the same. Any such determination, modification, authorisation or waiver shall be binding on the Certificateholders and holders of Coupons, Receipts and Talons and, unless the Trustee agrees otherwise, any such modification shall be notified to the Certificateholders (in accordance with Condition 17) as soon as practicable thereafter.

### (c) *Amendments to any Swap Transaction following a Reference Rate Event or an Original Charged Assets Disruption Event*

- (i) If the Calculation Agent determines that any Replacement Reference Rate Amendments are necessary pursuant to Condition 7(b)(ii) and the Company makes such amendments, pursuant to Condition 7(b)(v):
  - (1) with effect from the date on which such Replacement Reference Rate Amendments become effective, the terms of any Swap Transaction under the Swap Agreement

shall, without the consent of the Trustee, the Certificateholders or the Couponholders, be deemed to be amended so that references to the Swap Reference Rate are replaced by references to the Replacement Reference Rate as adjusted by the Adjustment Spread (provided that the Replacement Reference Rate, after application of the Adjustment Spread, may not be less than zero); and

- (2) with effect from the date on which such Replacement Reference Rate Amendments become effective, the Counterparty and the Company may, without the consent of the Trustee or the Certificateholders or the Couponholders, make such other adjustments to any Swap Transaction under the Swap Agreement (including, but not limited to, any Business Day, Business Day Convention, Day Count Fraction, Interest Period, Interest Rate, Floating Amount, Fixed Amount or Payment Date) as the Counterparty determines necessary or appropriate in order to account for the effect of the replacement of the Swap Reference Rate with the Replacement Reference Rate (as adjusted by the Adjustment Spread) and/or to preserve as nearly as practicable the economic equivalence of the relevant Swap Transaction before and after the replacement of the Swap Reference Rate with the Replacement Reference Rate (as adjusted by the Adjustment Spread).
- (ii) If the Company receives an Original Charged Assets Disruption Event Amendment Notice pursuant to Condition 7(h)(ii) and the provisos set out in Condition 7(h)(iii)(1) to (3) (inclusive) are satisfied, the Counterparty and the Company may, without the consent of the Trustee or the Certificateholders or the Couponholders, make such adjustments to the Swap Agreement as are necessary in order to implement the Original Charged Assets Disruption Event Amendments relating to the Swap Agreement.

(d) *Regulatory Requirement Amendments*

If the Calculation Agent determines that a Regulatory Requirement Event has occurred in respect of a Series, it may notify the Company and the Transaction Parties of any modifications that it determines are required to be made to the Conditions and/or any Transaction Document (except for the Programme Deed) (such amendments, the “**Regulatory Requirement Amendments**”) in order to cause:

- (i) the transactions contemplated by the Conditions and the Transaction Documents to be compliant with all Relevant Regulatory Laws;
- (ii) the Company and each Transaction Party to be compliant with all Relevant Regulatory Laws; or
- (iii) the Company and each Transaction Party to be able to continue to transact future business (as issuer of Certificates or as a transaction party to the Company pursuant to the Programme) in compliance with all Relevant Regulatory Laws.

If the Company receives such a notice from the Calculation Agent, it shall, without the consent of the Certificateholders or the Couponholders, promptly make the Regulatory Requirement Amendments, provided that:

- (1) no Early Redemption Date has occurred in respect of the Certificates;
- (2) the Regulatory Requirement Amendments will not:
  - (I) amend the dates of maturity or redemption of the Certificates or any date for payment of interest or Interest Amounts on the Certificates;

- (II) reduce or cancel the principal amount of, or any premium payable on redemption of, the Certificates;
  - (III) reduce the rate or rates of interest in respect of the Certificates or vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Certificates;
  - (IV) vary any method of, or basis for, calculating the Final Redemption Amount or the Early Redemption Amount;
  - (V) exchange or substitute the Original Charged Assets; or
  - (VI) have a material adverse effect on the validity, legality or enforceability of the Security or on the priority and ranking of the Security;
- (3) the Regulatory Requirement Amendments are agreed to by each party to the affected Transaction Documents (in each case, such consent not to be unreasonably withheld or delayed) and the Trustee; and
- (4) the Calculation Agent certifies in writing (such certificate, a “**Regulatory Requirement Amendments Certificate**”) to the Trustee that (I) the purpose of the Regulatory Requirement Amendments is solely as set out in Conditions 18(d)(i) to 18(d)(iii) and (II) the Regulatory Requirement Amendments satisfy the requirements of paragraph (2) above.

The Trustee may rely, without further enquiry and without liability to any person for so doing, on a Regulatory Requirement Amendments Certificate. Upon receipt of a Regulatory Requirement Amendments Certificate, the Trustee shall agree to the Regulatory Requirement Amendments without seeking the consent of the Certificateholders, the Couponholders or any other party and concur with the Company (at the Company’s expense) in effecting the Regulatory Requirement Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be required to agree to the Regulatory Requirement Amendments if, in the opinion of the Trustee (acting reasonably), the Regulatory Requirement Amendments would (x) expose the Trustee to any Related Liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (y) impose more onerous obligations upon it or expose it to any additional duties or responsibilities or reduce or amend the protective provisions afforded to the Trustee in the Conditions or any Transaction Document of any Series.

The Company shall, promptly following the Regulatory Requirement Amendments having been made, deliver a notice containing the details of the Regulatory Requirement Amendments to the Certificateholders (in accordance with Condition 17).

Neither the Calculation Agent nor the Trustee shall have any duty to monitor, enquire or satisfy itself as to whether any Regulatory Requirement Event has occurred. The Calculation Agent shall not have any obligation to give, nor any responsibility or liability for giving or not giving, any notice to the Company and the Transaction Parties in respect of a Regulatory Requirement Event, except to the extent caused by the Calculation Agent’s own gross negligence, fraud or wilful misconduct.

Any Regulatory Requirement Amendments will be binding on the Company, the Transaction Parties, the Certificateholders and the Couponholders.

(e) *Waiver*

The Trustee may, without consulting the Certificateholders or Couponholders, determine that an event which would otherwise be an Event of Default shall not be so treated. If the Trustee so



determines, the Certificateholders and Couponholders shall not be entitled to rely on any such event as entitling them to give, or to request that the Trustee give, notice to the Company accelerating the Certificates in accordance with Condition 13.

(f) *Substitution*

Subject to such amendment of the Trust Deed and such other conditions as the Trustee may require including the transfer of the Security, but without the consent of the Certificateholders or Couponholders, the Trustee may (with the consent of any Portfolio Manager, any Counterparty and any Credit Support Provider of any such Counterparty and subject to Rating Agency Affirmation (if applicable)) also agree to the substitution of any other company in place of the Company as principal debtor under the Trust Deed and the Certificates and in place of the Company under the Swap Agreement (if any), the Custody Agreement, any Related Agreement and any agreement forming part of the Outstanding Charged Assets in respect of any one or more Series and to the extent that they relate to the affected Series. In the case of such a substitution, the Trustee may (with the consent of any Portfolio Manager, any Counterparty and any Credit Support Provider of any such Counterparty) agree, without the consent of the Certificateholders or Couponholders, to a change of the law governing the Certificates, the Swap Agreement (if any), the Custody Agreement, the Portfolio Management Agreement (if any), any Related Agreement, any agreement forming part of the Outstanding Charged Assets and/or the Trust Deed, in each case, to the extent they relate to the affected Series unless such change would in the opinion of the Trustee be materially prejudicial to the interests of the Certificateholders. The Trustee, the Portfolio Manager (if any), the Counterparty (if any), any Credit Support Provider of such Counterparty and the Company should use all reasonable efforts to effect a substitution (i) if the Company is required to do so in accordance with the terms of a Swap Agreement (if any), (ii) in the circumstances set out in Condition 10(c), upon the occurrence of a Withholding Tax Event or an Increased Tax Event with respect to the Company, (iii) if the Certificates are not rated, where the rating by any Rating Agency of all or part of the Outstanding Charged Assets or any asset by reference to which amounts payable under the Certificates are linked falls or, in the opinion of the Calculation Agent, is likely to fall below investment grade or, where there is no such rating, in the opinion of the Calculation Agent would be below or would be likely to fall below investment grade, were such a rating in force or (iv) if to do so would be likely to avoid a downgrading or lead to an upgrading of the rating(s) of Certificates of any other Series if rated by any rating agency at the request of the Company; provided that, in any such case, such efforts should not result in the Trustee, any Portfolio Manager, any Counterparty, any Credit Support Provider of such Counterparty or the Company incurring irrecoverable costs. Subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Certificateholders or Couponholders, the Trustee will also agree (with the consent of the Counterparty (if any) and the Credit Support Provider (if any) of such Counterparty) to the change of the branch or office of any Counterparty or the Custodian (if any) unless such change would, in the opinion of the Trustee, be materially prejudicial to the Certificateholders. Any such substitution may be effected in respect of any one or more Series of Certificates.

(g) *Miscellaneous Provisions*

In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) the Trustee shall not have regard to the consequences of such exercise for individual Certificateholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Certificateholders or Couponholders be entitled to claim, from the Company any indemnification or payment in respect of any tax consequence of any exercise upon individual Certificateholders or Couponholders.

The Trust Deed provides, *inter alia*, that (a) except where the Conditions specifically state that one meeting of Certificateholders of more than one Series will be held, separate meetings of Certificateholders of each separate Series will normally be held, although the Trustee may from time to time determine that meetings of Certificateholders of each separate Series issued by the Company may be held together; (b) a resolution that in the opinion of the Trustee affects one Series alone shall be deemed to have been duly passed if passed at a separate meeting of the holders of Certificates of the Series concerned; (c) a resolution which in the opinion of the Trustee affects the holders of more than one Series of Certificates issued by the Company but does not give rise to a conflict of interest between the holders of the other Series of Certificates concerned shall be deemed to have been duly passed if passed at a single meeting of the holders of Certificates of all the affected Series provided that, for the purposes of determining the votes that a Certificateholder is entitled to cast, each Certificateholder shall have one vote in respect of each U.S.\$1 principal amount of Certificates held, converted, if such Certificates are not denominated in U.S. dollars in the manner specified in the Trust Deed; (d) a resolution that in the opinion of the Trustee affects the holders of more than one Series of Certificates and gives or may give rise to a conflict of interest between the holders of the other Series of Certificates concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the holders of all the affected Series of Certificates, except where the Conditions specifically state that one meeting of Certificateholders of more than one affected Series will be held; and (e) if the Company proposes to exchange part of an existing Series of Certificates for Certificates of a new Series, only the Certificates to be exchanged shall be deemed to be Certificates of the relevant Series.

In respect of any Series, where such Series is divided into two or more Classes, each such Class shall, unless otherwise specified in the applicable Pricing Conditions and subject to the provisions of the Trust Deed, be treated as if it were a distinct and separate Series for the purposes of this Condition 18.

(h) *Rights relating to Outstanding Charged Assets*

Except where the Conditions expressly so provide, the Company will not exercise any rights or take any action in its capacity as holder of the Outstanding Charged Assets unless directed to do so by the Trustee or by an Extraordinary Resolution of the Certificateholders, in each case after prior consultation with the Counterparty (if any) and the Credit Support Provider of such Counterparty, and, if such exercise or action is in the reasonable opinion of any Counterparty and the Credit Support Provider of such Counterparty likely to affect the value of the Outstanding Charged Assets, the Certificates or the Swap Agreement, it shall not be done without the prior written consent of any such Counterparty and the Credit Support Provider of such Counterparty. If such direction is given, the Company will act only in accordance with such direction.

## **19 Notification to the Trustee**

The Company shall provide written confirmation to the Trustee on an annual basis or following a request by the Trustee at any time that no Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.

## **20 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment or taking any step or action under the Trust Deed unless indemnified and/or secured and/or pre-funded to its satisfaction against all Related Liabilities or from taking any other action under the Trust Deed which may involve the Trustee in any personal liability or expense. The Trustee and any Affiliate of the Trustee is entitled to enter

into business transactions with the Company, any Custodian, any Counterparty, any Portfolio Manager or any of their respective Affiliates without accounting to the Certificateholders or Couponholders for profit resulting therefrom.

The Trustee will not be liable for any failure to make the usual investigations which might be made by a chargee in relation to the Security for the Certificates nor will it have any liability for its enforceability, provided that if the Trustee fails to show the degree of care and diligence required of it as trustee nothing in the Trust Deed shall relieve or indemnify it from or against any liability which would otherwise attach to it in respect of any negligence, fraud or wilful default in relation to its duties under the Trust Deed. The Trustee has no responsibility for the value of the Security.

## **21 Further Issues**

Subject to Condition 5 and the provisions of the Trust Deed, the Company may from time to time without the consent of the Certificateholders or Couponholders create and issue further securities under its Programme having the same terms and conditions as the Certificates in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single Series with the certificates of any Series (including the Certificates) provided that (a) if such Certificates are to be sold in the United States (1) such further issue of Certificates will be accorded the same tax characterisation for U.S. federal income tax purposes as the original Certificates of such Series, (2) such further issue of Certificates will either (x) be part of the same issue as the original Certificates for purposes of Sections 1271 to 1275 of the U.S. Internal Revenue Code or (y) the U.S. federal income tax consequences of the acquisition, ownership and disposition of such further issue will not differ in any material respect from that applicable to the original issue of Certificates of such Series, (b) in the cases of Certificates of a Series originally issued in more than one Class, additional Certificates of each Class are issued in the same proportion as in the original issuance and (c) the Original Charged Assets in respect of such further Certificates will be rated no lower than the highest rating of the Outstanding Charged Assets or Company Posted Collateral in respect of the original Certificates, to the extent that any such Outstanding Charged Assets or Company Posted Collateral are rated, as at the date of issue of such further certificates but shall not otherwise be required to be identical to, or fungible with, such Outstanding Charged Assets or Company Posted Collateral or to be issued by the same Underlying Obligor. In connection with such a further issue, the Company may, with the consent of the Counterparty but without the consent of Certificateholders or Couponholders or any other person, amend the Swap Agreement with respect to the relevant Series to reflect the addition of the Original Charged Assets in respect of such further Certificates, subject always to the requirement that the purpose and effect of such amendment is to ensure that the Company's payment obligations thereunder match any amounts receivable by the Company under the aggregate Outstanding Charged Assets for the Series or ensure that the Counterparty's payment obligations thereunder match any amounts payable by the Company in respect of the Certificates and other liabilities. In the case of Certificates which are then rated at the request of the Company, the Company shall notify (or procure notification of) each Rating Agency that then rates the Certificates of any such proposed issuance not later than seven calendar days prior to the issue date thereof. If one or more of such Rating Agencies notifies or indicates to the Company that such issuance would result in the then current rating of the Certificates being adversely affected or withdrawn then the Company shall not proceed with such issuance. In addition, the Company may, subject, if any of the Certificates are then rated at the request of the Company, to Rating Agency Affirmation, and to any rating agency affirmation required in respect of any other Obligations issued or entered into by the Company, create and issue further securities or enter into other Obligations under this Programme upon such terms as the Company may determine at the time of their issue or creation. The total aggregate principal amount of Certificates or other Obligations outstanding at any time issued or entered into by any individual Company shall not exceed the limit (if any) agreed between the Company, the Arranger and the Dealers (or its equivalent in any other currency or currencies at spot rates at the time of issue of such further securities). References in these Conditions to

the Certificates and to Outstanding Charged Assets and Company Posted Collateral include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Series with the Certificates and the assets securing such securities respectively.

In the case of Certificates which are then rated at the request of the Company, the Company shall notify the relevant Rating Agency of any further issue of securities in accordance with this Condition.

## 22 Taxation

### (a) *Withholding or deductions on Payments in respect of the Certificates*

All payments in respect of the Certificates will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Company or any Paying Agent is required by applicable law to make any such payment in respect of the Certificates subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Company or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. None of the Company, the Trustee, any Paying Agent will be obliged to make any additional payments to holders of Certificates in respect of such withholding or deduction. For the purposes of this Condition 22(a), any withholding required by an Information Reporting Regime shall be deemed to be required by applicable law.

### (b) *Provision of Information*

Each Certificateholder, Couponholder and beneficial owner of Certificates shall, within ten Payment Business Days of the Company delivering a request (in accordance with Condition 17) or receipt of a request from any agent acting on behalf of the Company, supply to the Company and/or any agent acting on behalf of the Company such forms, documentation and other information relating to such Certificateholder's, Couponholder's or beneficial owner's status under any applicable law (including, without limitation, any Information Reporting Regime or any agreement entered into by the Company pursuant thereto) as the Company and/or any agent acting on behalf of the Company reasonably requests for the purposes of the Company's or such agent's compliance with such law or agreement and such Certificateholder, Couponholder or beneficial owner shall notify the Company and/or any agent acting on behalf of the Company (as applicable) reasonably promptly if it becomes aware that any of the forms, documentation or other information provided by such Certificateholder, Couponholder or beneficial owner is (or becomes) inaccurate in any material respect; provided, however, that no Certificateholder, Couponholder or beneficial owner shall be required to provide any forms, documentation or other information pursuant to this Condition 22 to the extent that:

- (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such Certificateholder, Couponholder or beneficial owner and cannot be obtained by such Certificateholder, Couponholder or beneficial owner using reasonable efforts; or
- (ii) doing so would or might in the reasonable opinion of such Certificateholder, Couponholder or beneficial owner constitute a breach of any (A) applicable law, (B) fiduciary duty or (C) duty of confidentiality,

and, in each case, such Certificateholder, Couponholder or beneficial owner promptly provides written notice to the Company and/or any agent acting on behalf of the Company (as applicable) stating that it is unable to comply with the Company's and/or such agent's request and the reason for such inability to comply.

The Company and its duly authorised agents and delegates may disclose the forms, documentation and other information provided to the Company and/or any agent acting on behalf of the Company (as applicable) pursuant to this Condition 22(b) to any taxation or other governmental authority.

Each Certificateholder, Couponholder and beneficial owner of the Certificates further agrees and consents that, in respect of applicable Information Reporting Regimes, the Company may, but is not obliged and owes no duty to any person to, (i) comply with the terms of any intergovernmental agreement between the U.S. and another jurisdiction with respect to FATCA or any legislation implementing such an intergovernmental agreement, (ii) enter into an agreement with the U.S. Internal Revenue Service or (iii) comply with other legislation or agreements under an applicable Information Reporting Regime, in each case, in such form as may be required to avoid the imposition of withholding on payments made to the Company, or fines or penalties that would be suffered by the Company, under an applicable Information Reporting Regime.

In connection therewith, the Company may without the consent of Certificateholders, Couponholders, any beneficial owner or the Trustee make such amendments to the Certificates, the Swap Agreement and any other Transaction Document as are necessary to enable the Company to enter into, or comply with the terms of, any such agreement or legislation, provided that such amendments are agreed to by each other party to the affected Transaction Documents. Any such amendment will be binding on the Certificateholders and Couponholders. For the avoidance of doubt, this right of the Company is separate from, and does not require any agreement from the Trustee under, Condition 18(b).

(c) *U.S. Withholding Certificates*

Payments made or deemed made or accrued on U.S. Withholding Certificates will be treated as subject to U.S. withholding tax to the extent they would have been so subject if the Certificates had been issued by a U.S. Person. For the purposes of Condition 22(a), any U.S. withholding tax required on such payments as a result of such treatment shall be deemed to be required by applicable law.

U.S. Withholding Certificates may be issued solely as Registered Certificates. If a substitution or change in the composition of the Outstanding Assets for a Series occurs (whether pursuant to Condition 4(i) or as a result of a delivery pursuant to the Swap Agreement for the Series) in respect of a U.S. Withholding Certificate, the Certificate will be treated as if newly issued for purposes of this Condition 22.

Without prejudice to Condition 22(b), and in order to mitigate the risk of U.S. withholding tax applying with respect to U.S. Withholding Certificates, each Certificateholder, Couponholder and beneficial owner of U.S. Withholding Certificates shall supply to the applicable withholding agent, which may include the Company and/or any agent acting on behalf of the Company or any intermediary through which a Certificate is held, a properly completed IRS Form W-9 or IRS Form W-8 or other documentation that will allow the withholding agent to make payments on the Certificates without any deduction or withholding for or on account of any U.S. withholding tax imposed under Sections 871 or 881 (other than Section 871(m)) or Section 3406 (relating to backup withholding), or any successor provisions, of the Code, and such Certificateholder, Couponholder or beneficial owner shall reasonably promptly (i) notify the applicable withholding agent if it becomes aware that any of the forms, documentation or other information provided by such Certificateholder, Couponholder or beneficial owner is (or becomes) inaccurate in any material respect and (ii) provide a replacement form or other documentation or information.

## 23 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Certificates under the Contracts (Rights of Third Parties) Act 1999.

## 24 Governing Law

The Certificates, Receipts, Coupons and Talons, and any non-contractual obligations arising out of or in connection with the Certificates, Receipts, Coupons and Talons, are governed by and shall be construed in accordance with the laws of England. The Company has in the Trust Deed submitted to the exclusive jurisdiction of the English courts for all purposes in connection with the Certificates, Receipts, Coupons and Talons. The Company has irrevocably appointed the party specified as process agent in the Pricing Conditions for the Certificates as its agent in England to receive service of process in any proceedings in England based on any of the Certificates, Receipts, Coupons or Talons.

## 25 Definitions

Words and expressions defined in the applicable Pricing Conditions, the Trust Deed, the Swap Agreement (if any), the Agency Agreement, the Custody Agreement or the Portfolio Management Agreement (if any) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated. In the event of any conflict as a result of a word or expression being defined in more than one such document, priority shall be given to the documents in the order in which they are listed.

In these Conditions:

**“2006 ISDA Definitions”** means the 2006 ISDA Definitions, as published by ISDA, and, in respect of each Series, as amended and supplemented up to and including the Initial Reference Date of the first Tranche of such Series, unless otherwise specified in the applicable Pricing Conditions.

**“Actual Currency Proceeds”** means (subject, in each case, to deduction of, or provision for, any Negative Interest) the sum of (a) the net proceeds realised from the Liquidation of any Outstanding Assets in connection with an Early Redemption together with any sums (**“Other Available Proceeds”**) available to the Company that are derived from all or part of the Outstanding Assets (or were derived from assets that were, at the relevant time, Outstanding Assets) and realised other than from such Liquidation (in each case by sale, repayment, redemption, enforcement or otherwise in accordance with the Conditions) and (b) if any Outstanding Assets have not been realised at the Early Valuation Date, their fair market value (as determined by the Calculation Agent), in each case, after deduction of the following (or, if any Outstanding Assets have not been realised at the Early Valuation Date, taking into account such of the following as the Calculation Agent determines would have been payable had they been so realised): (i) any taxes required to be paid by virtue of the realisation of any assets or property in connection with any Liquidation under Condition 4(d) and (ii) any costs, charges, expenses and liabilities incurred by the Company and any entity appointed as Broker by virtue of the realisation of any assets or property in connection with any Liquidation under Condition 4(d).

**“Adjustment Spread”** means the adjustment, if any, to a Replacement Reference Rate that the Calculation Agent determines is required in order to:

- (i) reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from (a) the Company to the Certificateholders and the Couponholders or (b) the Certificateholders and the Couponholders to the Company, in each case as a result of the replacement of the Reference Rate with the Replacement Reference Rate;
- (ii) reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from (a) the Company to the Counterparty or (b) the Counterparty to the Company, in each case as a result

of any changes made to the Swap Agreement as a consequence of the replacement under the Certificates of the Reference Rate with the Replacement Reference Rate; and

- (iii) reflect any gains, losses, expenses and costs that have been or will be incurred by the Counterparty as a result of entering into, amending, maintaining and/or unwinding the Swap Transaction or any transactions to hedge the Counterparty's obligations under the Swap Transaction under the Swap Agreement to remove any difference between the cash flows under the Certificates, the Swap Transaction and/or any transactions in place to hedge the Counterparty's obligations under the Swap Transaction under the Swap Agreement which have resulted following the occurrence of a Reference Rate Event.

Any such adjustment may take account of, without limitation, any transfer of economic value as a result of any difference in the term structure or tenor of the Replacement Reference Rate by comparison to the Reference Rate. The Adjustment Spread may be positive, negative or zero or determined pursuant to a formula or methodology (which may be evidenced by a protocol or other similar document by ISDA).

**“Administrator/Benchmark Event”** means, for a Series and a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Reference Rate has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either (i) the Company, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates or (ii) the Counterparty or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Swap Transaction and/or any transactions in place to hedge the Counterparty's obligations under the Swap Transaction under the Swap Agreement.

If, for a Series and a Reference Rate, (i) an event or circumstance which would otherwise constitute or give rise to an Administrator/Benchmark Event also constitutes a Reference Rate Cessation or (ii) a Reference Rate Cessation and an Administrator/Benchmark Event would otherwise be continuing at the same time, it will in either case constitute a Reference Rate Cessation and will not constitute or give rise to an Administrator/Benchmark Event provided that, if the date that would otherwise have been the Administrator/Benchmark Event Date would have occurred before the Reference Rate is no longer available, Condition 7(d) (*Interim Measures*) shall apply as if an Administrator/Benchmark Event had occurred.

**“Administrator/Benchmark Event Date”** means, for a Series and an Administrator/Benchmark Event, the date on which the authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is:

- (i) required under any applicable law or regulation; or
- (ii) rejected, refused, suspended or withdrawn, if the applicable law or regulation provides that the Reference Rate is not permitted to be used under the Certificates following rejection, refusal, suspension or withdrawal,

or, in each case, if such date occurs before the Reference Rate Trade Date, the Reference Rate Trade Date.

**“Affected Instructing Certificateholder”** has the meaning given to it in Condition 4(i).

**“Affiliate”** shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity, directly or indirectly, under common

control with the person. For this purpose, “**control**” means ownership of a majority of the voting power of the entity or person.

“**Agency Agreement**” has the meaning given to it in the preamble to these Conditions.

“**Agents**” means the Calculation Agent and the Principal Paying Agent together with, in the case of Bearer Certificates, the Paying Agents and, in the case of Registered Certificates, the Paying Agents, the Registrar and the Transfer Agents, and any other agent or agents appointed from time to time in respect of the Certificates.

“**Aggregate Undeliverable OCA Amount**” has the meaning given to it in Condition 4(i).

“**Available Liquidation Proceeds**” means the net proceeds realised from the Liquidation of the Aggregate Undeliverable OCA Amount or, to the extent that all or part of such Aggregate Undeliverable OCA Amount is not Liquidated, the fair market value of such Aggregate Undeliverable OCA Amount (or part thereof), in each case after deduction of the following (or, as the case may be, taking into account such of the following as the Broker determines would have been payable had such Aggregate Undeliverable OCA Amount (or part thereof) been Liquidated): (i) any taxes required to be paid by virtue of such Liquidation and (ii) any costs, charges, expenses and liabilities incurred by the Company or the Broker by virtue of such Liquidation.

“**Bankruptcy Event of Default**” means where, with respect to the Company:

- (1) the entry of a decree or order by a court having jurisdiction in the premises adjudging the Company as bankrupt or insolvent, or approving as properly filed a petition seeking moratorium of payments, reorganisation, arrangement, adjustment or composition of or in respect of the Company under any applicable law, or appointing a receiver, administrator, liquidator, examiner, assignee, sequestrator or other similar official of the Company or substantially all of its property, or ordering the winding-up or liquidation of the Company or its affairs; or
- (2) an involuntary case or proceeding is initiated against the Company, or a proceeding is initiated by the Company, under any applicable insolvency law, including presentation to the court of an application for an administration order, or seeking the appointment of a receiver, administrator, liquidator, examiner, assignee, sequestrator or other similar official in relation to the Company or to the whole or any substantial part of the undertaking or assets of the Company, or seeking the winding-up or liquidation of the Company or its affairs, or a receiver, administrator, liquidator, examiner, assignee, sequestrator or other similar official is appointed in relation to the Company or in relation to the whole or any substantial part of the undertaking or assets of the Company or an encumbrancer takes possession or execution or other process is levied or enforced upon or sued out against the whole or substantially all of the undertaking or assets of the Company or if the Company is dissolved or becomes insolvent, initiates or consents to any case or judicial proceeding relating to itself or its assets under any applicable insolvency law, makes a general assignment, arrangement or composition with or for the benefit of its creditors generally, fails or is unable or admits in writing its inability to pay its debts generally as they become due, has a resolution passed for its winding up or liquidation or takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the events specified in paragraph (i)(1) of this definition or this paragraph (i)(2); or
- (3) any event occurs with respect to the Company which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events in paragraphs (i)(1) or (i)(2) of this definition; or

“**Basis Period**” means the period from and including the Interest Commencement Date to but excluding the first Basis Period Date and each successive period from and including a Basis Period Date to but excluding the next succeeding Basis Period Date, and may, without limitation, comprise a number of Interest Periods.



**“Basis Period Date”** means the last Specified Interest Payment Date unless otherwise specified in the applicable Pricing Conditions.

**“Bearer Certificates”** means Certificates issued in bearer form.

**“Benchmark”** means the interest rate, index, benchmark or other price source specified as such in the applicable Pricing Conditions.

**“Broker”** means the entity specified as such in the applicable Pricing Conditions.

**“Business Day”** means a day which is a Local Business Day and a Payment Business Day.

**“Business Day Convention”** means the business day convention specified in the applicable Pricing Conditions.

**“Business Day Type”** means any of a Determination Business Day, a Payment Business Day and any other type of business day specified in the applicable Pricing Conditions.

**“Calculated Amount”** has the meaning given to it in Condition 8(a).

**“Calculation Agent”** means the calculation agent or any successor appointed in respect of the Certificates.

**“Calculation Amount”** means the amount specified as such in the applicable Pricing Conditions or, if not specified, the Denomination of the relevant Certificate.

**“Calculation Amount Factor”** means the number equal to the Denomination of the relevant Certificate divided by the Calculation Amount.

**“Cash Account”** means the “Cash Account” (as defined in the Custody Agreement) held with the Custodian.

**“Certificated Certificates”** means Registered Certificates issued in certificated form.

**“Certificates”** has the meaning given to it in the preamble to these Conditions.

**“Certificateholder”** means (i) the holder of any definitive Bearer Certificate and the Receipts relating to it or (ii) the person in whose name a Registered Certificate is registered.

**“Certificateholder Proportion”** means such proportion of the Original Charged Assets (the principal amount of which shall be rounded down to the nearest whole unit (e.g. one euro or one pound sterling) of the currency in which the Original Charged Assets are denominated) as equals the proportion which such Instructing Certificateholder’s holding of Certificates bears to the total principal amount outstanding of the Certificates of all Instructing Certificateholders as calculated by the Calculation Agent as at the date of the Substitution Notice.

**“Certificateholder Undeliverable Percentage”** means, in respect of a Certificateholder, the Undeliverable OCA Amount in respect of that Certificateholder divided by the Aggregate Undeliverable OCA Amount.

**“Certificates Bankruptcy”** means an Underlying Obligor (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within 30

days of the institution or presentation thereof; (v) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to an appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) (inclusive); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**“Certificates Call Event”** means that notice is received by the Company that any Outstanding Charged Asset, Company Posted Collateral or Identical Asset is called for redemption or repayment (whether in whole or in part) prior to its expected or scheduled maturity date (irrespective of whether or not the Underlying Obligor has a right or obligation to call such Outstanding Charged Asset, Company Posted Collateral or Identical Asset, as the case may be, for redemption or repayment), other than a notice in respect of any scheduled amortisation of such Outstanding Charged Asset, Company Posted Collateral or Identical Asset, as the case may be.

**“Certificates Conversion”** means:

- (i) the conversion of the Outstanding Charged Assets or Company Posted Collateral, as the case may be, into any other financial instrument upon the exercise by the Underlying Obligor of any option or other right to convert such Outstanding Charged Assets or Company Posted Collateral, as the case may be, in accordance with the terms of such Outstanding Charged Assets or Company Posted Collateral, as the case may be, in effect as of the Underlying Obligor Reference Date; or
- (ii) the conversion of one or more Underlying Obligations of the Underlying Obligor other than the Outstanding Charged Assets or Company Posted Collateral, in an aggregate amount of not less than the Default Requirement, into any other financial instrument upon the exercise by the Underlying Obligor of any option or other right to convert such Underlying Obligations in accordance with the terms of such Underlying Obligation in effect as of the time of such conversion.

**“Certificates Failure to Pay”** means (i) in respect of any Outstanding Charged Assets, Company Posted Collateral or Identical Assets in each case by reference to the terms of such Outstanding Charged Assets or Company Posted Collateral, as the case may be, in effect at the latest of the Issue Date of the Certificates, the date of entry by the relevant Underlying Obligor into the relevant Outstanding Charged Assets or Company Posted Collateral, as the case may be, and the date on which the relevant Outstanding Charged Assets were first acquired by the Company in respect of the Certificates or, in the case of any Company Posted Collateral, the date on which any Identical Assets to the Company Posted Collateral were first acquired by the Company in respect of the Certificates, (1) the failure by or on behalf of an Underlying Obligor to make, when due, any payment, whether of principal or interest or any other amount in respect thereof, disregarding for the purposes of determining the due date for payment any Grace Period prior to the expiry of which the relevant securities are not capable of being declared due and payable and any conditions precedent to the commencement of such Grace Period (and, for the avoidance of doubt, a payment made in accordance with the application of any fallbacks following the occurrence of a disruption event in respect of any interest rate, index, benchmark or price source shall not constitute such failure), or (2) non-payment of the full amount of accrued interest or any distribution (howsoever described) on any Outstanding Charged Assets, Company Posted Collateral or any Identical Assets on any date on which payment of interest or any distribution is expected or scheduled to be made, or notice is received by the Company that any such non-payment shall occur, whether or not payment is due, in each case irrespective of whether or not the Underlying Obligor has a right or obligation to defer payment or reduce the amount

of interest or any distribution scheduled to be paid in respect of such Outstanding Charged Assets or Company Posted Collateral (for the avoidance of doubt, however, a payment made in accordance with the application of any fallbacks following the occurrence of a disruption event in respect of any interest rate, index, benchmark or price source shall not constitute such non-payment) or (3) non-payment or deferral of payment of any part of the initial principal amount, or payment of less than 100 per cent. of the initial principal amount, in each case in respect of any Outstanding Charged Assets, Company Posted Collateral or any Identical Assets, on any date on which payment of principal is expected or scheduled to be paid, or notice is received by the Company that any such non-payment, deferral of payment or payment of less than 100 per cent. of the initial principal amount, as the case may be, shall occur, in each case irrespective of whether or not the Underlying Obligor has a right or obligation to defer payment or reduce the amount of principal to be repaid (for the avoidance of doubt, however, a payment made in accordance with the application of any fallbacks following the occurrence of a disruption event in respect of any interest rate, index, benchmark or price source shall not constitute such non-payment) or (ii) in respect of any Underlying Obligation (other than Outstanding Charged Assets, Company Posted Collateral and Identical Assets), after the expiration of any applicable (or deemed) Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period) the failure by an Underlying Obligor to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Underlying Obligations (other than Outstanding Charged Assets, Company Posted Collateral and Identical Assets). Any such failure which results from the imposition of, or any change in, Exchange Controls or any payment in the domestic currency of the relevant Underlying Obligor where payment in the original currency of the Underlying Obligation is prohibited by Exchange Controls shall constitute a Certificates Failure to Pay.

**"Certificates Governmental Intervention"** means that, with respect to one or more of the Underlying Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Underlying Obligor in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Underlying Obligation:

- (i) any event which would affect creditors' rights so as to cause:
  - (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (B) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (C) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (D) a change in the ranking in priority of payment of such Underlying Obligation(s), causing the subordination of such Underlying Obligation(s);
- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of such Underlying Obligation(s);
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events specified in paragraphs (i) to (iii) of this definition.

For the purposes of this definition, the term Underlying Obligation shall be deemed to include Underlying Obligor Guarantee Obligations for which the Underlying Obligor is acting as provider of an Underlying Obligor Guarantee.

**“Certificates Material Event”** means (i) a failure by or on behalf of any Underlying Obligor to make, when due, any payment whether of interest or principal or any other amount in respect of any Other Obligation in accordance with the terms in effect on the Issue Date of the Certificates or, if later, the date of entry by the relevant Underlying Obligor into the relevant Other Obligation after giving effect to any applicable grace period or, if such grace period is not publicly known, a period of 30 business days from the due date for payment or (ii) any Other Obligation of any Underlying Obligor has been declared due and payable (or has otherwise become following a default, event of default or other similar condition or event (however described) due and payable) prior to its stated final maturity date or has resulted in the designation or occurrence of an early termination date in respect of such Other Obligation provided that the aggregate amount of the relevant Other Obligations then due and payable under (i) and/or (ii) of this definition is equal to or exceeds U.S.\$10,000,000 (or its equivalent). Any such failure under (i) of this definition which results from the imposition of, or any change in, Exchange Controls or any payment in the domestic currency of the relevant Underlying Obligor where payment in the original currency of the Other Obligation is prohibited by Exchange Controls shall (subject to the proviso above) constitute a Certificates Material Event.

**“Certificates Obligation Acceleration”** means one or more of the relevant Underlying Obligations has or have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment under one or more such Underlying Obligation(s), in respect of the relevant Underlying Obligor in an aggregate amount of not less than the Default Requirement.

**“Certificates Obligation Default”** means one or more Underlying Obligations has or have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment under one or more such Underlying Obligation(s), in respect of the relevant Underlying Obligor in an aggregate amount of not less than the Default Requirement.

**“Certificates Repudiation/Moratorium”** means an Underlying Obligor or Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more of the relevant Underlying Obligations in an aggregate amount of not less than the Default Requirement or (b) declares or imposes a moratorium, standstill or deferral, whether de facto or de jure, with respect to one or more Underlying Obligations in an aggregate amount of not less than the Default Requirement.

**“Certificates Restructuring”:**

- (i) means, subject to the paragraphs below, with respect to one or more of the relevant Underlying Obligations, including as a result of an Obligation Exchange, and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs, is agreed between an Underlying Obligor or a Governmental Authority and a sufficient number of holders of such Underlying Obligation(s) to bind all holders of such Underlying Obligation(s) or is announced (or otherwise decreed) by an Underlying Obligor or a Governmental Authority in a form that binds all holders of such Underlying Obligation(s) (including by way of Obligation Exchange), and such event is not expressly provided for under the terms of such Underlying Obligation(s) in effect as of the later of the Issue Date and the date as of which such obligation is issued or incurred:
  - (1) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);

- (2) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (3) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
  - (4) a change in the ranking in priority of payment of such Underlying Obligation(s), causing the subordination of such Underlying Obligation(s); or
  - (5) any change in the currency or composition of any payment of interest, principal or premium, including where such change results from the imposition of or any change in composition of or any change in Exchange Controls or where payment in the original currency is prohibited by Exchange Controls.
- (ii) Notwithstanding the provisions above, none of the following shall constitute a Certificates Restructuring:
- (1) the payment in euro of interest, principal or premium in relation to any such Underlying Obligations denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union;
  - (2) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i)(1) to (5) of this definition due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (3) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i)(1) to (5) of this definition in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of an Underlying Obligor provided that in respect of paragraph (i)(5) only, no such deterioration in the creditworthiness or financial condition of an Underlying Obligor is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For the purposes of this definition, the term Underlying Obligation shall be deemed to include Underlying Obligor Guarantee Obligations for which the Underlying Obligor is acting as provider of an Underlying Obligor Guarantee. In the case of an Underlying Obligor Guarantee and an Underlying Obligor Guarantee Obligation, references to the Underlying Obligor in paragraph (i) above shall be deemed to refer to the Relevant Obligor and the reference to the Underlying Obligor in paragraph (ii)(3) above shall continue to refer to the Underlying Obligor.

If an Obligation Exchange has occurred, the determination as to whether one of the events described in paragraphs (i)(1) to (5) above has occurred will be based on a comparison of the terms of the Underlying Obligations immediately prior to such Obligation Exchange and the terms of the resulting obligations immediately following such Obligation Exchange.

**“Charged Assets”** means the assets described in Conditions 4(a)(i) and (ii).

**“Charged Assets Default”** means where the Trustee is notified by the Company, any Counterparty or any of the Certificateholders that a Custodian/Agent Failure to Pay has occurred or that Information exists of any of the following events or circumstances:

- (i) in respect of any Underlying Obligation of any Underlying Obligor:
  - (1) a Certificates Failure to Pay; or

- (2) a Certificates Obligation Acceleration; or
- (3) a Certificates Repudiation/Moratorium; or
- (4) a Certificates Restructuring; or
- (5) a Certificates Governmental Intervention; or
- (6) a Certificates Conversion; or
- (7) a Certificates Call Event; or
- (ii) in respect of the Outstanding Charged Assets, the Company Posted Collateral or any Identical Assets, a Certificates Obligation Default; or
- (iii) in respect of any Underlying Obligor, a Certificates Bankruptcy; or
- (iv) in respect of any Other Obligation of any Underlying Obligor, a Certificates Material Event.

A Charged Assets Default will occur whether or not the event giving rise to the Charged Assets Default arises directly or indirectly from, or is subject to a defence based upon (a) any lack or alleged lack of authority or capacity of the Underlying Obligor to enter into any Underlying Obligation or Other Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Underlying Obligation or Other Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**“Charged Assets Redemption Event”** means that any assets, instruments, deposits or securities comprising all or part of the Outstanding Charged Assets or the Company Posted Collateral, are called for redemption or repayment prior to their scheduled maturity date as a result of any tax or associated reporting requirement being imposed in respect of payments under such assets, instruments, deposits or securities.

**“Charged Assets Tax Event”** means an event where the Company is or will be unable to receive any payment due in respect of any Charged Assets (other than any Counterparty Posted Collateral) in full on the due date therefor without deduction for or on account of any withholding tax, back-up withholding or other tax, duties or charges of whatsoever nature imposed by, or if the Company is required to pay any tax, duty or charge of whatsoever nature in respect of any payment received in respect of any Charged Assets (other than any Counterparty Posted Collateral) imposed by, or is required by law to comply with any reporting requirement (other than any reporting requirement in respect of FATCA and any other Information Reporting Regime that is not materially more onerous to comply with than FATCA) of, any authority of any jurisdiction, except in any case where the Company is able to obtain such payment in full on the due date therefor or gain exemption from such payment or reporting requirement by filing a declaration that it is not a resident of such jurisdiction and/or by executing any certificate, form or other document in order to make a claim under a double taxation treaty or other exemption available to it and such filing or execution does not involve any material expense and is not unduly onerous, or such reporting requirement does not involve any material expense and is not unduly onerous. Without prejudice to the generality of the foregoing, a FATCA Withholding imposed on payments in respect of any Charged Assets (including any Counterparty Posted Collateral) shall constitute a Charged Assets Tax Event. For the purposes of this definition, if on the date falling 60 days prior to the immediately following date on which a payment will be due under the Charged Assets (including any Counterparty Posted Collateral) (such date falling 60 days prior being the **“FATCA Test Date”**), the Company is a “nonparticipating foreign financial institution” or “nonparticipating FFI” (as such terms are used under section 1471 of the Code or in any regulations or guidance thereunder), or has a comparable status under an applicable IGA, the Company

will be deemed on the FATCA Test Date to be unable to receive a payment due in respect of such Charged Assets in full on the due date therefor without deduction for or on account of any withholding tax and, therefore, a Charged Assets Tax Event will have occurred on the FATCA Test Date.

“**Class**” means the class specified as such in the applicable Pricing Conditions.

“**Clearstream, Luxembourg**” means Clearstream Banking S.A.

“**Code**” means the U.S. Internal Revenue Code of 1986.

“**Common Safekeeper**” means, in relation to a Series where the relevant Global Certificate is a NGN or the relevant Global Certificate is held under the NSS, the common safekeeper for Euroclear and Clearstream, Luxembourg appointed in respect of such Certificates.

“**Company**” means the company specified as such in the applicable Pricing Conditions.

“**Company Application Date**” means each of:

- (i) the Early Redemption Date or, in the case of a Counterparty Maturity Liquidation Event, the Post-Maturity Initial Application Date (the “**Initial Company Application Date**”); and
- (ii) in respect of each sum received by or on behalf of the Company from the Mortgaged Property that has not already been applied on the Initial Company Application Date, the date falling five Payment Business Days following the date on which the Company gives (or procures the giving of) notice to the Calculation Agent and the Counterparty of receipt of such sum,

provided that there shall be no Company Application Date(s) following the giving of an Enforcement Notice.

“**Company Posted Collateral**” means, at any time, any Eligible Credit Support (VM) delivered by the Company to the Counterparty under the Credit Support Annex (if any) relating to the Certificates and which forms part of the Company’s Credit Support Balance (VM) at that time.

“**Conditions**” means, in respect of the Certificates, the Master Conditions as completed, amended, supplemented and/or varied by the provisions of Part A of the applicable Pricing Conditions. References to a particularly numbered Condition shall be construed as a reference to the Condition so numbered in the Master Conditions.

*To the extent that the Certificates are represented by a Global Certificate, the Conditions shall be as defined above but as completed, amended, supplemented and/or varied by the terms of the Global Certificate. See the section of this Prospectus headed “Summary of Provisions relating to the Certificates while in Global Form” for a description thereof.*

“**Confirmation**” has the meaning given to it in the preamble to these Conditions.

“**Counterparty**” has the meaning given to it in the preamble to these Conditions.

“**Counterparty Maturity Liquidation Event**” means the designation by the Counterparty of an Early Termination Date in respect of the Swap Agreement where such designation is made on or after the Maturity Date of the Certificates.

“**Counterparty Posted Collateral**” means, at any time:

- (i) any Eligible Credit Support (VM) delivered by the Counterparty to the Company under the Credit Support Annex (if any) relating to the Certificates and which Eligible Credit Support (VM) forms part of the Counterparty’s Credit Support Balance (VM) at that time; and
- (ii) any assets and/or property then held by or on behalf of the Company and derived from the Counterparty Posted Collateral held by the Company at any time, including through exchange or conversion (or assets and/or property derived therefrom), and excluding any assets and/or property

that have been released from the Security in accordance with the Trust Deed and subject to any additions/removals in accordance with the Credit Support Annex relating to the Certificates.

**“Couponholder”** means the holder of any Coupon and includes holders of any Talons.

**“Coupons”** has the meaning given to it in the preamble to these Conditions.

**“Credit Support Annex”** has the meaning given to it in the preamble to these Conditions.

**“Credit Support Balance (VM)”** means, with respect to the Company or the Counterparty, the aggregate of all Eligible Credit Support (VM) that has been transferred by that party to the other (together with proceeds and distributions thereon to the extent not otherwise paid to the transferor). Such term is used and more precisely defined in the relevant Credit Support Annex.

**“Credit Support Document”** has the meaning given to it in the Swap Agreement.

**“Credit Support Excess”** means, in relation to any Early Termination Date that has been designated or deemed to occur in respect of the Swap Agreement, and where the Credit Support Balance (VM) of the Counterparty is positive on the related Early Valuation Date, an amount in the Relevant Currency equal to the minimum of:

- (i) an amount in the Relevant Currency (subject to a minimum of zero) equal to (i) the Value of the Counterparty’s Credit Support Balance (VM) determined under Paragraph 6 of the Credit Support Annex with respect to the Early Valuation Date minus (ii) the Early Termination Amount that would be payable by the Company to the Counterparty, or by the Counterparty to the Company, as the case may be, if there were no Credit Support Annex in existence and with such Early Termination Amount being expressed as a positive if it would be payable by the Counterparty to the Company and as a negative if it would be payable by the Company to the Counterparty; and
- (ii) the Value of the Counterparty’s Credit Support Balance (VM) determined under Paragraph 6 of the Credit Support Annex with respect to the Early Valuation Date.

**“Credit Support Provider”** has the meaning given to it in the preamble to these Conditions.

**“CRS”** means the Standard for Automatic Exchange of Financial Account Information developed by the Organisation for Economic Co-operation and Development, including the common standard on reporting and due diligence for financial account information, and together with any bilateral and multilateral competent authority agreements and treaties facilitating the implementation thereof, and any law implementing any such common standard, competent authority agreement, intergovernmental agreement, or treaty.

**“Custodian”** means the custodian or any successor or replacement appointed in respect of the Certificates.

**“Custodian/Agent Failure to Pay”** means the Custodian or the Principal Paying Agent fails to comply with any instruction validly given to it and binding upon it or otherwise to perform or comply with its obligations in accordance with the terms of the Custody Agreement or, as the case may be, the Agency Agreement in respect of the payment of any amount or the delivery or transfer of any asset to or to the order of the Company or, where applicable, to or to the order of the Trustee or to any other Secured Party.

**“Custody Agreement”** has the meaning given to it in the preamble to these Conditions or, in respect of a replacement Custodian, means the custody agreement between the Company and such replacement Custodian, which may or may not be entered into pursuant to a supplement to the Programme Deed.

**“Cut-off Date”** means, for a Series and a Reference Rate:

- (i) in respect of a Reference Rate Cessation, the later of:



- (1) 15 Payment Business Days following the day on which the public statement is made or the information is published (in each case, as referred to in the definition of "Reference Rate Cessation"); and
- (2) the first day on which the Reference Rate is no longer available or becomes non-representative;
- (ii) in respect of an Administrator/Benchmark Event, the later of:
  - (1) 15 Payment Business Days following the day on which the Calculation Agent determines that an Administrator/Benchmark Event has occurred; and
  - (2) the Administrator/Benchmark Event Date;
- (iii) in respect of a Risk-Free Rate Event, the later of:
  - (1) 15 Payment Business Days following the day on which the Calculation Agent determines that a Risk-Free Rate Event has occurred; and
  - (2) the Risk-Free Rate Event Date;
- (iv) in respect of a Representative Statement Event, the later of:
  - (1) 15 Payment Business Days following the day on which the Calculation Agent determines that a Representative Statement Event has occurred; and
  - (2) the Representative Statement Event Date; and
- (v) in respect of a Material Change Event, the later of:
  - (1) 15 Payment Business Days following the day on which the Calculation Agent determines that a Material Change Event has occurred; and
  - (2) the Material Change Event Date,

provided that, in each case, if more than one Relevant Nominating Body formally designates, nominates or recommends an interest rate, index, benchmark or other price source and one or more of those Relevant Nominating Bodies does so on or after the day that is three Payment Business Days before the date determined pursuant to paragraphs (i) to (iv) above (as applicable), then the Cut-off Date will instead be the second Payment Business Day following the date that, but for this proviso, would have been the Cut-off Date.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest on any Certificate for any period of time (whether or not constituting an Interest Accrual Period, the **"Calculation Period"**) and subject to any modification to the following provisions as is specified in the applicable Pricing Conditions:

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

- (vii) if “**Actual/Actual-ICMA**” is specified in the applicable Pricing Conditions, a fraction equal to “number of days accrued/number of days in year”, as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the “**ICMA Rule Book**”), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non U.S. dollar denominated straight and convertible bonds issued after 31 December 1998, as though the interest on a bond were being calculated for a coupon period corresponding to the Interest Period.

“**Default Requirement**” means U.S.\$10,000,000 or its equivalent in the currency of the relevant Underlying Obligation at the time of the Charged Assets Default, provided that in respect of the Outstanding Charged Assets, Company Posted Collateral or the Identical Assets the Default Requirement shall be U.S.\$0.

“**Deliverable Cash Amount**” means, in respect of an Instructing Certificateholder, the product of the Certificateholder Undeliverable Percentage in respect of that Instructing Certificateholder and the Available Liquidation Proceeds.

“**Deliverable OCA Amount**” means the principal amount of Original Charged Assets to be delivered rounded down to the nearest amount that is capable of being delivered, assigned or transferred.

“**Denomination**” means the denomination or denominations specified in the applicable Pricing Conditions.

“**Deposit Taker**” means, in respect of a Series, the entity (which may include the Custodian) with which any cash deposits forming part of the Outstanding Assets have been made by the Company.

“**Designated Maturity**” means each period specified to be such in the applicable Pricing Conditions.

“**Determination Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the Determination Business Day Centre or Centres specified in the applicable Pricing Conditions.

“**Determination Date**” means, in respect of the determination of any Index Rate, the Specified Number of Determination Business Days prior to the Reset Date, where “Specified Number” means the number specified as such in the applicable Pricing Conditions or, if no number is so specified in the applicable Pricing Conditions, two if the Benchmark is EURIBOR.

“**Determination Time**” means the time specified in the applicable Pricing Conditions or, if none is specified, the local time in the Determination Business Day Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Determination Business Day Centre or, where the Determination Business Day Centre is specified in the applicable Pricing Conditions to be TARGET, 11:00 a.m., Brussels time.

“**Dodd-Frank Act**” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

“**DTC**” means the Depositary Trust Company.

**“Early Redemption”** means a redemption or repayment of the Certificates in whole under Condition 10(b), Condition 10(c), Condition 10(d), Condition 10(e) or Condition 13 (and, for the avoidance of doubt, which redemption may take place prior to, on or after the Maturity Date of the Certificates).

**“Early Redemption Amount”** has the meaning given to it in Condition 11.

**“Early Redemption Date”** means the earlier of:

- (i) the date falling seven Payment Business Days following the date on which the Company gives (or procures the giving of) notice to the Calculation Agent and the Counterparty that the final payment in respect of the related Liquidation of the Outstanding Assets has been received by the Broker or, as the case may be, the Custodian (or, where there were no Outstanding Assets at the first day of the Liquidation Period, the date falling seven Payment Business Days following the first day of the Liquidation Period); and
- (ii) the date falling 20 Payment Business Days after the first day of the Liquidation Period.

The Company shall give (or procure the giving of) the notice to the Calculation Agent and the Counterparty that the final payment in respect of the related Liquidation of the Outstanding Charged Assets has been received by the Broker or, as the case may be, the Custodian as soon as reasonably practicable after becoming aware of the same. The Calculation Agent shall notify the Principal Paying Agent, the Company, the Custodian, the Counterparty, the Broker and the Trustee of the date so determined. The Principal Paying Agent shall notify the Certificateholders (in accordance with Condition 17) as soon as reasonably practicable after receiving any such notice.

The Early Redemption Date shall be determined by the Calculation Agent unless another party is indicated as determining or specifying the Early Redemption Date.

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

**“Early Valuation Date”** means, unless otherwise specified in the applicable Pricing Conditions, the day falling five Payment Business Days prior to the Early Redemption Date.

**“Eligible Credit Support (VM)”** has the meaning given to it in the Credit Support Annex relating to the Certificates (if any).

**“Eligible J.P. Morgan Transferee”** has the meaning given to it in the preamble to these Conditions.

**“Eligible Replacement Custodian”** means any bank or financial institution whose business includes the provision of custodial services and which (i) is incorporated, domiciled and regulated as a custodian in an OECD country and (ii) has a rating from any of Standard & Poor’s, Moody’s or Fitch that is equal to or higher than the then-current rating of the existing Custodian from the same Rating Agency.

**“Enforcement Event”** means any of:

- (i) a default in payment by the Company of any amount due in respect of the Certificates on an Early Redemption Date;
- (ii) a default in payment by the Company of any amount due in respect of the Certificates on the Maturity Date if such default has not been remedied on or before the Post-Maturity Initial Application Date; or
- (iii) a default in payment by the Company of any Termination Payment due by the Company to the Counterparty under the Swap Agreement (together, if applicable, with any interest payable thereon).

**“Enforcement Notice”** means a notice by the Trustee to the Company, the Custodian, the Principal Paying Agent and the Broker stating (i) that the Trustee intends to enforce the Security constituted by the Trust Deed and/or the other Security Documents (if applicable) and specifying in reasonable detail the nature of

the Enforcement Event and (ii) that the Broker is to cease to effect any further Liquidation of the Outstanding Assets.

**“Equivalent Obligation”** means with respect to an Underlying Obligor, any obligation of the Underlying Obligor of the same type as the Outstanding Charged Assets or Company Posted Collateral, as the case may be.

**“Euro”, “euro”, “EUR” and “€”** are to the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

**“Euroclear”** means Euroclear Bank SA/NV.

**“Euronext Dublin”** means the Irish Stock Exchange Plc trading as Euronext Dublin.

**“Event of Default Notice”** has the meaning given to it in Condition 13.

**“Events of Default”** has the meaning given to it in Condition 13.

**“Exchange Controls”** means any exchange controls, capital restrictions or other similar restrictions imposed by any monetary or other authority.

**“Extraordinary Resolution”** means (i) a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than three-quarters of the votes cast or a written resolution passed or (ii) a Written Resolution.

**“FATCA”** means (i) sections 1471 to 1474 of the Code, (ii) any similar or successor legislation to sections 1471 to 1474 of the Code, (iii) any regulations or guidance pursuant to any of the foregoing, (iv) any official interpretations of any of the foregoing, (v) any intergovernmental agreement to facilitate the implementation of any of the foregoing (an **“IGA”**), (vi) any law implementing an IGA and (vii) any agreement within the United States or any other jurisdiction or authority pursuant to the foregoing.

**“FATCA Test Date”** has the meaning given to it in the definition of Charged Assets Tax Event.

**“FATCA Withholding”** means any withholding imposed pursuant to FATCA.

**“Fitch”** means Fitch Ratings Limited and any successor or successors thereto.

**“Fixed Rate”** has the meaning given to it in Condition 6(a).

**“Floating Rate”** has the meaning given to it in Condition 6(a).

**“Floating Rate Option”** has the meaning given to it in the Swap Agreement.

**“Foreign Exchange Rate”** means the Screen FX Rate or the Mean FX Rate, as specified in the applicable Pricing Conditions, as of the Early Valuation Date.

**“Governmental Authority”** means:

- (i) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);
- (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Underlying Obligor or some or all of its obligations; or
- (iv) any other authority which is analogous to any of the entities specified in paragraphs (i) to (iii) of this definition.

**“Grace Period”** means the applicable grace period with respect to the Underlying Obligation under the terms of such Underlying Obligation in effect as of the later of the Issue Date or the date such Underlying Obligation was issued or incurred, provided that (i) if at the later of the Issue Date and the date as of which an Underlying Obligation is issued or incurred, a grace period with respect to payment of more than 30 days is applicable under the terms of such Underlying Obligation or (ii) if the terms of the Underlying Obligation are not publicly available such that the length of any grace period, conditions precedent to the commencement of any such grace period or whether any such conditions are satisfied cannot be established, it shall be deemed that the Grace Period is a period of 30 days from the due date for payment and all conditions precedent to the commencement thereof were satisfied on such due date.

**“Holder Information Reporting Compliance Default”** means any failure, without regard to whether such failure is caused by applicable law, of any Certificateholder, Couponholder or beneficial owner of Certificates to provide sufficient forms, documentation or information in accordance with, or to comply with any other requirement of, Condition 22(b) or Condition 22(c).

**“Identical Assets”** means, where the Outstanding Charged Assets or Company Posted Collateral, as applicable, form part only of an issue of securities or other obligations, any securities or other obligations comprised within such issue which rank *pari passu* prior to the event in question, but for so long only as the securities have the same contractual terms and conditions prior to the event in question.

**“Increased Tax Event”** has the meaning given to it in Condition 10(c)(ii)(2).

**“Indemnifying Secured Party”** means (i) at least 75 per cent. of the holders of the Certificates then outstanding or (ii) any Secured Party other than any Certificateholder or (if applicable) Couponholder.

**“Index Rate”** has the meaning given to it in Condition 7(a).

**“Industry Standard Replacement Reference Rate”**, for a Series and a Reference Rate, has the meaning given to it in the definition of “Replacement Reference Rate”.

**“Ineligible Investor”** means a person who is (i) a U.S. person (as defined in Regulation S under the Securities Act), (ii) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934) or (iii) not a Non-United States person (as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, but excluding for purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons).

**“Information”** means information that reasonably (as determined, in the case of the Company or the Counterparty, acting in good faith and in a commercially reasonable manner) confirms any of the facts relevant to the determination that a Charged Assets Default has occurred and which:

- (i) has been published in or on any two of the following sources: Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), or any other internationally recognised published or electronically displayed financial news source regardless of whether the reader or user thereof pays a fee to obtain such information; or
- (ii) is received from (A) an Underlying Obligor (or, if the Underlying Obligor is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an obligation; or
- (iii) is information contained in any order, decree, notice, petition or filing however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; or

- (iv) is known to the Company or the Counterparty and supported by documents (or copies thereof) in its possession.

Information need not state that such occurrence (i) has met the Payment Requirement or Default Requirement (if required), (ii) is the result of exceeding any applicable Grace Period or (iii) has met the subjective criteria specified in certain events.

Once Information exists that an event has occurred in respect of any Underlying Obligor or any Underlying Obligation, then such event will be deemed to continue unless Information exists to the effect that such event in respect of the relevant Underlying Obligor or Underlying Obligation has been cured. In the absence of any Information to the effect that any such event has been cured coming to the notice of the Trustee, the Trustee shall be entitled to assume that such event is continuing and the existence or occurrence of a Charged Assets Default shall be determined accordingly.

When determining the existence or occurrence of any Charged Assets Default, such determination (which, in the case of the Company or the Counterparty, shall be made acting in good faith and in a commercially reasonable manner) shall be based on the occurrence of an event whether or not the occurrence of the relevant event arises directly or indirectly from (a) any lack or alleged lack of authority or capacity of the relevant Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Underlying Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of or any change in any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority.

**“Information Reporting Regime”** means (i) the CRS, (ii) Council Directive 2011/16/EU on administrative cooperation in the field of taxation and any law implementing such Council Directive and (iii) FATCA.

**“Initial Reference Date”** means, for a Series, the date specified as such in the applicable Pricing Conditions.

**“Instructing Certificateholders”** has the meaning given to it in Condition 4(i).

**“Interest Accrual Period”** means the period from and including the Interest Commencement Date to but excluding the first Interest Accrual Period Date and each successive period from and including an Interest Accrual Period Date to but excluding the next succeeding Interest Accrual Period Date.

**“Interest Accrual Period Date”** means each Specified Interest Payment Date unless otherwise specified in the applicable Pricing Conditions.

**“Interest Amount”** means the amount of interest payable.

**“Interest Basis”** means, in respect of a Basis Period, whether the Certificates bear interest at a Fixed Rate, a Floating Rate or are non-interest bearing (**“Zero Coupon”**).

**“Interest Bearing Amount”** means, in respect of any Interest Accrual Period, the Denomination or such other interest bearing amount as is specified in the applicable Pricing Conditions.

**“Interest Commencement Date”** means the Issue Date specified in the applicable Pricing Conditions unless otherwise specified in the applicable Pricing Conditions.

**“Interest Payment Date”** means each Specified Interest Payment Date and any other date specified in these Conditions as being an Interest Payment Date.

**“Interest Period”** means the period from and including the Interest Commencement Date to but excluding the first Specified Interest Payment Date and each successive period from and including a Specified Interest Payment Date to but excluding the next succeeding Specified Interest Payment Date.

**“Interest Rate”** means the rate of interest payable from time to time in respect of a Certificate and which, in respect of an Interest Accrual Period, and subject to a maximum of any Maximum Interest Rate specified in the applicable Pricing Conditions and to a minimum of any Minimum Interest Rate specified in the applicable Pricing Conditions, shall be:

- (i) where the Interest Basis for the Basis Period in which such Interest Accrual Period falls is Floating Rate, unless otherwise specified in the applicable Pricing Conditions, the Index Rate determined in accordance with these Conditions plus or minus (as indicated in the applicable Pricing Conditions) any Spread specified in the applicable Pricing Conditions or multiplied by any Spread Multiplier specified in the applicable Pricing Conditions; or
- (ii) where the Interest Basis for the Basis Period in which such Interest Accrual Period falls is Fixed Rate, the Interest Rate specified in the applicable Pricing Conditions.

**“Irish Company”** means a Company incorporated under the laws of Ireland.

**“Irish Listed Certificates”** means Certificates which have been admitted to the Official List and have been admitted to trading on the regulated market (within the meaning of MiFID II) of Euronext Dublin.

**“ISDA”** means the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.).

**“ISDA Equivalent”** means the ISDA equivalent specified as such in the applicable Pricing Conditions.

**“Issue Date”** means the issue date specified as such in the applicable Pricing Conditions.

**“Issue Deed”** has the meaning given to it in the preamble to these Conditions.

**“JPMSE”** means J.P. Morgan SE.

**“JPMS plc”** means J.P. Morgan Securities plc.

**“Liquidation”** means any realisation of the Outstanding Assets during a Liquidation Period in accordance with Condition 4(d) and the proceeds of which shall include:

- (i) the proceeds of any sale or redemption made in accordance with Condition 4(d);
- (ii) any sums that are available at the relevant time from any repayment or redemption of any Outstanding Assets; and
- (iii) any on-demand cash deposits made by the Company and forming part of the Outstanding Assets,

and **“Liquidate”** and **“Liquidated”** shall be construed accordingly.

**“Liquidation Event”** means any of the following events or circumstances:

- (i) the Company gives notice that the Certificates will be repaid in accordance with their terms pursuant to Condition 10(b), Condition 10(c), Condition 10(d) or Condition 10(e);
- (ii) if a Counterparty Maturity Liquidation Event occurs; or
- (iii) the Trustee gives notice declaring the Certificates due and repayable following any Event of Default.

**“Liquidation Failure Event”** means the Broker determines that it is not permitted under applicable laws or under its internal policies having general application or it is otherwise not possible or practicable for the



Outstanding Assets to be Liquidated by the Broker on behalf of the Company, other than by reason of the nature or status of the relevant transferee and as provided in Condition 4(d).

**“Liquidation Period”** means the period from and including the date on which a Liquidation Event occurs to and including the 10th Payment Business Day following the date on which the Liquidation Event occurred save that where the Liquidation Event is as a result of one or more of the Outstanding Charged Assets being subject to a Charged Assets Redemption Event, the Liquidation Period (which, for the avoidance of doubt, shall apply to all Outstanding Charged Assets whether or not they are the subject of a Charged Assets Redemption Event) shall be the period from and including the Payment Business Day that immediately precedes the date on which the Outstanding Charged Assets that are the subject of the Charged Assets Redemption Event are scheduled for redemption or repayment prior to their scheduled maturity date (or, where there is more than one such date, the earliest such date) to and including the 10th Payment Business Day following such date.

**“Listed Certificates”** means Certificates which are either Irish Listed Certificates or are listed and admitted to trading on any other stock exchange.

**“Local Business Day”** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation of any Certificate, Receipt or Coupon.

**“Make-Whole Amount”** has the meaning given to it in Condition 11.

**“Management Fees”** means any Incentive Management Fees, Senior Management Fees and Junior Management Fees, each being a fee payable to the Portfolio Manager in accordance with the terms of the Portfolio Management Agreement, and calculated at the relevant Incentive Management Fee Percentage, Senior Management Fee Percentage and Junior Management Fee Percentage, each as may be specified in the applicable Pricing Conditions and as the case may be.

**“Master Swap Agreement”** has the meaning given to it in the preamble to these Conditions.

**“Material Change Event”**, for a Series and a Reference Rate, has the meaning given to it in the definition of “Reference Rate Event”.

If, for a Series and a Reference Rate, (i) an event or circumstance which would otherwise constitute or give rise to a Material Change Event also constitutes a Reference Rate Cessation or (ii) a Reference Rate Cessation and a Material Change Event would otherwise be continuing at the same time, it will in either case constitute a Reference Rate Cessation and will not constitute or give rise to a Material Change Event provided that, if the date that would otherwise have been the Material Change Event Date would have occurred before the Reference Rate is no longer available or becomes non-representative, Condition 7(d) (*Interim Measures*) shall apply as if a Material Change Event had occurred.

**“Material Change Event Date”**, for a Series and a Reference Rate, has the meaning given to it in the definition of “Reference Rate Event”.

**“Maturity Date”** means the Scheduled Maturity Date specified in the applicable Pricing Conditions or such other date as shall be specified in the applicable Pricing Conditions as the Maturity Date.

**“Mean FX Rate”** means:

- (i) the arithmetic mean of the rates quoted, upon request by the Calculation Agent, by five major market makers in the currency markets (one of which shall be JPMS plc);
- (ii) if fewer than five quotations are provided by the relevant market makers upon request by the Calculation Agent, the arithmetic mean of the rates quoted by such market makers; or

- (iii) if no quotations are provided by the relevant market makers upon request by the Calculation Agent, the rate determined by JPMS plc in its capacity as a market maker in the currency markets,

in each case, to purchase from another market maker in the currency markets on the Early Valuation Date the Relevant Currency against a sale of any other currency in which all or part of the Actual Currency Proceeds or other amount is denominated and in an amount of the Relevant Currency comparable to the amount of such other currency to be sold.

**“MiFID II”** means Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended.

**“Minimum Denomination”** means the minimum denomination specified as such in the applicable Pricing Conditions.

**“Moody’s”** means Moody’s Investors Service Ltd and any successor or successors thereto.

**“Mortgaged Property”** means the Charged Assets, the Swap Agreement (if any) and any assets, property, income, rights and/or agreements from time to time charged to the Trustee securing the Certificates and includes where the context permits any part of that Mortgaged Property.

**“Negative Interest”** means, if an interest rate is a negative value, the debiting of funds from an account as a result of the application of such negative interest rate.

**“Net Proceeds”** means the sums available to the Company that are derived from the Mortgaged Property for the Certificates (whether by way of enforcement of the Security for the Certificates, Liquidation or otherwise) as at the date on which all such sums have been realised and applied in accordance with the priority of payments set out in Condition 4(c).

**“New Charged Assets”** has the meaning given to it in Condition 4(i).

**“NGN”** means a Global Certificate issued in new global note form.

**“NSS”** means the new safekeeping structure which applies to Registered Certificates held in global form by a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

**“Obligation Exchange”** means the mandatory transfer (other than in accordance with the terms in effect as of the later of the Issue Date or the date of issuance of the relevant Underlying Obligations) of any securities, obligations or assets to holders of Underlying Obligations in exchange for such Underlying Obligations. When so transferred, such securities, obligations or assets will be deemed to be Underlying Obligations.

**“Obligations”** means any obligations that may be issued or entered into by the Company in the form of certificates, notes, loans, warrants, options, swaps (excluding, for the avoidance of doubt, the Swap Agreement) or other obligations.

**“Original Charged Assets”** means the assets specified as such in the applicable Pricing Conditions.

**“Original Charged Assets Disruption Event”** means, for a Series, any Original Charged Assets Reference Rate is adjusted or replaced following the occurrence of an event in respect of such Original Charged Assets Reference Rate, whether in accordance with the terms of the Original Charged Assets or otherwise, the definition or description of which event either:

- (i) includes a reference to concepts defined or otherwise described as an “index cessation event”, an “administrator/benchmark event” or a “representative statement event” (in each case regardless of the contents of that definition or description); or

- (ii) is analogous or substantially similar to the definitions of “Reference Rate Cessation”, “Administrator/Benchmark Event”, “Risk-Free Rate Event”, “Representative Statement Event” and/or “Material Change Event”.

“**Original Charged Assets Disruption Event Amendment Notice**”, for a Series, has the meaning given to it in Condition 7(h)(ii)(2).

“**Original Charged Assets Disruption Event Amendments**”, for a Series, has the meaning given to it in Condition 7(h)(ii)(2).

“**Original Charged Assets Disruption Event Amendments Certificate**”, for a Series, has the meaning given to it in Condition 7(h)(iii)(3).

“**Original Charged Assets Disruption Event Losses/Gains**” means an amount, determined by the Calculation Agent, equal to (without duplication):

- (i) an amount equal to:
  - (1) the amounts scheduled to be paid by the Underlying Obligor pursuant to the terms of the Original Charged Assets following the occurrence of an Original Charged Assets Disruption Event and the application of any relevant fallbacks; minus
  - (2) the amounts scheduled to be paid by the Underlying Obligor pursuant to the terms of the Original Charged Assets on the Underlying Obligor Reference Date; minus
- (ii) an amount equal to:
  - (1) the amounts scheduled to be paid by the Counterparty pursuant to the terms of the Swap Transaction and/or any transactions in place to hedge the Counterparty’s obligations under the Swap Transaction under the Swap Agreement following the occurrence of an Original Charged Assets Disruption Event and the application of any relevant fallbacks; minus
  - (2) the amounts scheduled to be paid by the Counterparty pursuant to the terms of the Swap Transaction and/or such hedge transactions on the date immediately preceding the date on which the Original Charged Assets Disruption Event occurred; minus
- (iii) any gains, losses, expenses and costs that have been or that will be incurred by the Counterparty as a result of entering into, maintaining and/or unwinding the Swap Transaction and/or any transactions to hedge the Counterparty’s obligations under the Swap Transaction under the Swap Agreement to remove any difference between the cash flows under the Original Charged Assets and the Swap Transaction and/or such hedge transactions which have resulted following the occurrence of an Original Charged Assets Disruption Event.

“**Original Charged Assets Disruption Event No Action Notice**”, for a Series, has the meaning given to it in Condition 7(h)(ii)(1).

“**Original Charged Assets Disruption Event Notice**”, for a Series, has the meaning given to it in Condition 7(h)(i).

“**Original Charged Assets Disruption Event Redemption Notice**”, for a Series, has the meaning given to it in Condition 7(h)(ii)(3).

“**Original Charged Assets Reference Rate**” means, for a Series, any interest rate, index, benchmark or price source by reference to which any amount payable under the Original Charged Assets is determined.

“**Other Obligation**” means any obligation (whether present or future, contingent or otherwise as principal or surety or as provider of an Underlying Obligor Guarantee or otherwise) for the payment or repayment of money but excluding any obligation falling in the definition of “Underlying Obligation”.

**“Outstanding Assets”** means any Outstanding Charged Assets together with any Counterparty Posted Collateral.

**“Outstanding Charged Assets”** means, at any time, the assets and/or other property of the Company (which may, for the avoidance of doubt, include the benefit of contractual rights in addition to those referred to above) specified as Original Charged Assets and any assets and/or property derived therefrom, including cash proceeds that are held by or for the account of the Company, or into which such assets (or assets and/or property derived therefrom) are exchanged or converted subject to any substitutions, additions and/or removals which may be made in accordance with Condition 4(i) and any procedures specified in the applicable Pricing Conditions and excluding any assets and/or other property which has been released from the Security in accordance with the Trust Deed.

**“Page”** has the meaning given to it in Condition 7(a)(i)(1).

**“Paying Agents”** means the paying agents or any successor appointed in respect of the Certificates.

**“Payment Business Day”** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the Payment Business Day Centre or Centres specified in the applicable Pricing Conditions.

**“Payment Requirement”** means U.S.\$1,000,000 or its equivalent in the currency of the Underlying Obligation at the time of the Charged Assets Default, provided that in respect of any Outstanding Charged Assets, Company Posted Collateral or any Identical Assets the Payment Requirement shall be U.S.\$0.

**“Portfolio Manager”** means the portfolio manager or any successor appointed in respect of the Certificates.

**“Portfolio Management Agreement”** has the meaning given to it in the preamble to these Conditions.

**“Post-Maturity Initial Application Date”** means the earlier of:

- (i) the date falling seven Payment Business Days following the date on which the Company gives (or procures the giving of) notice to the Calculation Agent and the Counterparty that the final payment in respect of the related Liquidation of the Outstanding Charged Assets has been received by the Broker or, as the case may be, the Custodian (or, where there are no Outstanding Assets at the first day of the Liquidation Period, the date falling seven Payment Business Days following the first day of the Liquidation Period); and
- (ii) the date falling 20 Payment Business Days after the first day of the Liquidation Period.

**“Pre-nominated Replacement Reference Rate”** means, for a Series and a Reference Rate, the first of the interest rates, indices, benchmarks or other price sources specified as a “Pre-nominated Replacement Reference Rate” in the applicable Pricing Conditions (if any) and not subject to a Reference Rate Event.

**“Pricing Conditions”** means, in respect of a Series or Tranche, pricing conditions prepared by the Company in respect of such Series or Tranche, being substantially in the form set out in the Procedures Memorandum or in such other form as the Company and the relevant Dealers may agree.

**“Primary Source for Index Rate Quotations”** means the primary source for index rate quotations specified as such in the applicable Pricing Conditions.

**“Principal Paying Agent”** means the principal paying agent or any successor appointed in respect of the Certificates.

**“Principal Portfolio Management Agreement”** has the meaning given to it in the preamble to these Conditions.

**“Principal Trust Deed”** has the meaning given to it in the preamble to these Conditions.

**“Priority Fallback”** has the meaning given to it in Condition 7(c).

**“Priority Payments”** means an amount in the Relevant Currency equal to the sum of the payments or the equivalent in the Relevant Currency calculated at the relevant Foreign Exchange Rate (if any) then due by the Company to any Secured Party other than the Counterparty and which payments rank in priority to claims of the Certificateholders and (if applicable) Couponholders in accordance with Condition 4(c).

**“Procedures Memorandum”** means the Procedures Memorandum relating to the Programme as defined in the Programme Deed or supplement thereto whose execution created such Procedures Memorandum.

**“Process Agent Appointment Agreement”** has the meaning given to it in the Programme Deed.

**“Programme”** means the Company’s programme for the issuance of notes and other secured obligations.

**“Programme Deed”** has the meaning given to it in the preamble to these Conditions.

**“Purchased Certificates”** has the meaning given to it in Condition 10(f).

**“Rating Agency”** means a rating agency which may include, without limitation Moody’s, Fitch and/or Standard & Poor’s.

**“Rating Agency Affirmation”** means, with respect to any action relating to a Series and/or Class of Certificates (including in respect of the relevant Swap Agreement) that is specified to be subject to Rating Agency Affirmation, the prior affirmation from such of the Rating Agencies (if any) as then rate any such Certificates or any other Obligations at the request of the Company, in the form (if any) specified for such purpose by the relevant Rating Agency in accordance with any applicable internal requirements of such Rating Agency, that the then current rating of any such Certificates or any such other Obligations will not be adversely affected or withdrawn as a result of such action being undertaken, provided that it is the then current policy of such Rating Agency to either affirm or disaffirm the relevant type of action prior to such action being taken.

**“Receipts”** has the meaning given to it in the preamble to these Conditions.

**“Record Date”** means the 15th day before the due date for payment.

**“Redemption Amount”** has the meaning given to it in Condition 11.

**“Reference Rate”** means, for a Series, any interest rate, index, benchmark or price source by reference to which any amount payable under the Certificates is determined. To the extent that any interest rate, index, benchmark or price source referred to in a Replacement Reference Rate applies in respect of a Series, it shall be a “Reference Rate” for that Series from the day on which it is used.

**“Reference Rate Cessation”** means, for a Series and a Reference Rate, the occurrence of one or more of the following events:

- (i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate;
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

- (iii) any event which otherwise constitutes an “index cessation event” (regardless of how it is actually defined or described in the definition of the Reference Rate) in relation to which a Priority Fallback is specified.

“**Reference Rate Default Event**”, for the Certificates, has the meaning given to it in Condition 10(d)(ii).

“**Reference Rate Event**” means, for a Series:

- (i) a Reference Rate Cessation;
- (ii) an Administrator/Benchmark Event;
- (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development (which may be in the form of a protocol by ISDA) pursuant to which such Reference Rate is, on a specified date (the “**Risk-Free Rate Event Date**”), replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board’s paper titled “Reforming Major Interest Rate Benchmarks” dated 22 July 2014 (a “**Risk-Free Rate Event**”); or
- (iv) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage in certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts (a “**Representative Statement Event**” and the date on which the Reference Rate is non-representative being the “**Representative Statement Event Date**”); or
- (v) if “Material Change Event” is specified to be applicable in the Pricing Conditions, the definition, methodology or formula for a Reference Rate, or other means of calculating the Reference Rate, has materially changed or as of a specified future date will materially change (a “**Material Change Event**” and the date on which the material change is effective being the “**Material Change Event Date**”).

“**Reference Rate Event Notice**”, for the Certificates, has the meaning given to it in Condition 7(b)(i).

“**Reference Rate Trade Date**” means, for a Series, the date specified as such in the applicable Pricing Conditions.

“**Register**” has the meaning given to it in the Agency Agreement.

“**Registered Certificates**” means Certificates issued in registered form.

“**Registrar**” means the registrar or any successor appointed in respect of the Registered Certificates.

“**Regulatory Requirement Amendments**”, for a Series, has the meaning given to it in Condition 19(c).

“**Regulatory Requirement Amendments Certificate**”, for a Series, has the meaning given to it in Condition 19(c).

“**Regulatory Requirement Event**” means, for a Series, that, as a result of a Relevant Regulatory Law:

- (i) any of the transactions contemplated by the Conditions and the Transaction Documents are not, or will cease to be, compliant with one or more Relevant Regulatory Laws;
- (ii) the Company and/or any Transaction Party is not, or will cease to be, compliant with one or more Relevant Regulatory Laws; or

- (iii) the Company and/or any Transaction Party is not, or will cease to be, able to continue to transact future business (as issuer of Certificates or as a transaction party to the Company pursuant to the Programme) in compliance with all Relevant Regulatory Laws.

**“Related Agreement”** means any agreement entered into by the Company relating to a Series or Tranche which is referred to in, or contemplated by, the Trust Deed or is otherwise entered into in connection with the Series.

**“Related Liabilities”** means, in respect of any action, step or proceeding taken or not taken by the Trustee in such capacity, any and all fees, costs, charges, expenses, claims, liabilities, losses, damages, actions and demands (including the remuneration of the Trustee) levied, properly incurred or otherwise suffered or which might be levied, properly incurred or otherwise suffered by the Trustee or any of its Appointees or which may be made against the Trustee or any of its Appointees (and any VAT applicable thereto) in connection with the performance or purported performance or non-performance of any of the duties, functions, trusts, powers or discretions of the Trustee under or in connection with the Trust Deed or any other Transaction Document, including any such liability properly incurred or otherwise suffered in disputing or defending any of the foregoing.

**“Relevant Accountholder”** has the meaning given to it in Condition 4(i).

**“Relevant Charging Instrument”** means any Issue Deed and any other document which creates or purports to create security in respect of the Series, in each case as amended.

**“Relevant Currency”** means the currency in which the Certificates are denominated unless otherwise specified in the applicable Pricing Conditions.

**“Relevant Currency Proceeds”** means the Actual Currency Proceeds provided that, where all or part of such Actual Currency Proceeds are not denominated in the Relevant Currency, such amount (or each such part thereof, as the case may be) shall be converted into the Relevant Currency at the relevant Foreign Exchange Rate.

**“Relevant Date”** means, in respect of any Certificate, Receipt or Coupon, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is not paid when due) the date on which payment in full of the amount of principal due is made or (if earlier) the date seven days after the date on which notice is duly given to the Certificateholders that, upon further presentation of the Certificate, Receipt or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

**“Relevant Nominating Body”** means, in respect of a Reference Rate:

- (i) the central bank for the currency in which the Reference Rate is denominated or any central bank or other supervisor which is responsible for supervising either the Reference Rate or the administrator of the Reference Rate; or
- (ii) any working group or committee officially endorsed or convened by (A) the central bank for the currency in which the Reference Rate is denominated, (B) any central bank or other supervisor which is responsible for supervising either the Reference Rate or the administrator of the Reference Rate, (C) a group of those central banks or other supervisors or (D) the Financial Stability Board or any part thereof.

**“Relevant Obligor”** means, with respect to an Underlying Obligor Guarantee Obligation, the issuer in the case of a bond, the borrower in the case of a loan, or the principal obligor in the case of any other Underlying Obligor Guarantee Obligation.

**“Relevant Rate”** means the quotation for the Benchmark in the Relevant Currency for a period (if applicable) equal to the Designated Maturity.

**“Relevant Regulatory Law”** means, for a Series:

- (i) the Dodd-Frank Act, the Bank Holding Company Act of 1956 and the Federal Reserve Act of 1913 (or similar legislation in other jurisdictions) and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (ii) Regulation 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC Derivatives, central counterparties and trade repositories and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (iii) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (iv) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (v) Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (vi) the implementation or adoption of, or any change in, any applicable law, regulation, rule, guideline, standard or guidance after the Relevant Regulatory Law Reference Date, and with applicable law, regulation, rule, guideline, standard or guidance for this purpose meaning any similar, related or analogous law, regulation, rule, guideline, standard or guidance to those in paragraphs (i) to (v) above or any law or regulation that imposes a financial transaction tax or other similar tax;
- (vii) any arrangements or understandings that any Transaction Party or any of its Affiliates may have made or entered into with any regulatory agency with respect to its or any of their legal entity structure or location with regard to (A) any of paragraphs (i) to (vi) above or (B) the United Kingdom’s prospective or actual departure from the EU; or
- (viii) any change in any of the laws, regulations, rules, guidelines, standards or guidance referred to in paragraphs (i) to (vi) above as a result of the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction after the Relevant Regulatory Law Reference Date or as a result of the public or private statement or action by, or response of, any court, tribunal or regulatory authority with competent jurisdiction or any official or representative of any such court, tribunal or regulatory authority acting in an official capacity with respect thereto,

where, paragraphs (ii) to (v) above shall in each case also include any similar concept under comparable legislation in the United Kingdom.



**“Relevant Regulatory Law Reference Date”** means, for a Series, the date specified in the applicable Pricing Conditions.

**“Replacement Page”** has the meaning given to it in Condition 7(a)(i)(2).

**“Replacement Reference Rate”** means, in respect of a Reference Rate, an interest rate, index, benchmark or other price source that the Calculation Agent determines to be a commercially reasonable alternative for such Reference Rate, provided that the Replacement Reference Rate must be:

- (i) a Pre-nominated Replacement Reference Rate; or
- (ii) if there is no Pre-nominated Replacement Reference Rate, an interest rate, index, benchmark or other price source (which may be formally designated or nominated by (a) any Relevant Nominating Body or (b) the administrator or sponsor of the Reference Rate (provided that the market or economic reality that such interest rate, index, benchmark or other price source designated or nominated by the administrator or sponsor measures is substantially the same as that measured by the Reference Rate) to replace the Reference Rate) which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference such Reference Rate (which recognition or acknowledgment may be in the form of a press release, a member announcement, member advice, letter, protocol, publication of standard terms or otherwise by ISDA) (an **“Industry Standard Replacement Reference Rate”**).

If the Replacement Reference Rate is an Industry Standard Replacement Reference Rate, the Calculation Agent shall specify a date on which the interest rate, index, benchmark or other price source was recognised or acknowledged as being the relevant industry standard (which may be before such interest rate, index, benchmark or other price source commences).

**“Replacement Reference Rate Amendments”**, for the Certificates, has the meaning given to it in Condition 7(b)(ii).

**“Replacement Reference Rate Amendments Certificate”**, for a Series, has the meaning given to it in Condition 7(b)(iii)(2).

**“Replacement Reference Rate Ancillary Amendments”**, for a Series, has the meaning given to it in Condition 7(b)(ii)(3).

**“Replacement Reference Rate Notice”**, for the Certificates, has the meaning given to it in Condition 7(b)(iii)(1).

**“Representative Statement Event”**, for a Series and a Reference Rate, has the meaning given to it in the definition of “Reference Rate Event”.

If, for a Series and a Reference Rate, (i) an event or circumstance which would otherwise constitute or give rise to a Representative Statement Event also constitutes a Reference Rate Cessation or (ii) a Reference Rate Cessation and a Representative Statement Event would otherwise be continuing at the same time, it will in either case constitute a Reference Rate Cessation and will not constitute or give rise to a Representative Statement Event provided that, if the date that would otherwise have been the Representative Statement Event Date would have occurred before the Reference Rate is no longer available or becomes non-representative, Condition 7(d) shall apply as if a Representative Statement Event had occurred.

**“Representative Statement Event Date”**, for a Series and a Reference Rate, has the meaning given to it in the definition of “Reference Rate Event”.

**“Reset Date”** means the first day of each relevant Interest Accrual Period, unless otherwise specified in the applicable Pricing Conditions.

**“Risk-Free Rate Event”**, for a Series and a Reference Rate, has the meaning given to it in the definition of “Reference Rate Event”.

If, for a Series and a Reference Rate, (i) an event or circumstance which would otherwise constitute or give rise to a Risk-Free Rate Event also constitutes a Reference Rate Cessation or (ii) a Reference Rate Cessation and a Risk-Free Rate Event would otherwise be continuing at the same time, it will in either case constitute a Reference Rate Cessation and will not constitute or give rise to a Risk-Free Rate Event provided that, if the date that would otherwise have been the Risk-Free Rate Event Date would have occurred before the Reference Rate is no longer available or becomes non-representative, Condition 7(d) (*Interim Measures*) shall apply as if a Risk-Free Rate Event had occurred.

**“Risk-Free Rate Event Date”**, for a Series and a Reference Rate, has the meaning given to it in the definition of “Reference Rate Event”.

**“Scheduled Maturity Date”** means the date specified as such in the applicable Pricing Conditions.

**“Screen FX Rate”** means the rate which appears on the page specified in the applicable Pricing Conditions at the time specified in the applicable Pricing Conditions.

**“Secondary Replacement Page”** has the meaning given to it in Condition 7(a)(i)(2).

**“Secured Liabilities”** means, in respect of a Series, the obligations of the Company under:

- (i) the Certificates, Coupons, Receipts and Talons of that Series or where the Obligations are not in the form of Certificates, the Obligation (including, for the avoidance of doubt, the obligations of the Company under the terms and conditions of any further securities which are consolidated and form a single Series with the Certificates of such Series);
- (ii) the Trust Deed to the Trustee in respect of that Series including any expenses, costs, claims or liabilities properly incurred by the Trustee in the performance of its duties;
- (iii) the Custody Agreement for the payment of all claims of the Custodian for reimbursement of payments properly made to any party in respect of sums receivable on the Outstanding Assets for such Series and in respect of any expenses, costs, claims or liabilities properly incurred by the Custodian in the performance of its duties under the Custody Agreement;
- (iv) in respect of a Series of Certificates only, the Agency Agreement for the payment of all claims of the Principal Paying Agent for reimbursement in respect of payments of principal and interest properly made to holders of Certificates, Coupons and Receipts relating to such Series and in respect of any expenses, costs, claims or liabilities properly incurred by the Agents in the performance of their duties under the Agency Agreement;
- (v) any Swap Agreement relating to such Series;
- (vi) the Portfolio Management Agreement (if any) relating to such Series for the payment of all Management Fees due to the Portfolio Manager (if any); and
- (vii) any other obligation specified in the applicable Pricing Conditions as having the benefit of the Security,

in each case, as the same may be amended, varied, supplemented, extended, modified, replaced, restated, assigned or novated in any way from time to time (however fundamentally and whether or not more onerously).

**“Secured Parties”** means the persons to whom the Secured Liabilities are owed.

**“Securities Act”** means the U.S. Securities Act of 1933, as amended.

**“Security”** means the security in respect of each Series secured by any of the Security Documents.

**“Security Documents”** means, in respect of a Series, the Trust Deed and any applicable Relevant Charging Instrument (other than any Issue Deed with respect to such Series that forms part of the Trust Deed).

**“Series”** means the series specified in the applicable Pricing Conditions.

**“Sovereign”** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

**“Special Quorum”** has the meaning given to it in Condition 18(a).

**“Specified Interest Payment Date”** means the specified interest payment date specified in the applicable Pricing Conditions.

**“Standard & Poor’s”** means S&P Global Ratings Europe Limited and any successor or successors thereto.

**“Standard Early Redemption Amount”** has the meaning given to it in Condition 11.

**“Substitution Criteria”** means (a) the New Charged Assets being denominated in the same currency as the Original Charged Assets; (b) the New Charged Assets having a rating from one or more Rating Agencies, at least equal to the then current rating(s) (if any) given by any such Rating Agency to the Original Charged Assets (and, in the case of Certificates rated by Fitch, such rating must be by Fitch); (c) either (i) the Counterparty having certified to the Company that it will not suffer a cost or loss or a reduction in the mark-to-market value of the Swap Agreement (if any) as a result of such substitution or (ii) arrangements having been made which are reasonably satisfactory to the Counterparty to compensate it for any cost or loss or reduction in mark-to-market value of the Swap Agreement (if any) which it certifies to the Company that it will incur in connection with such substitution (and, in determining any such cost or loss or reduction in mark-to-market value of the Swap Agreement (if any), the Counterparty will act in good faith and in a commercially reasonable manner); (d) in the case of credit-linked Certificates (being Certificates linked to the credit of one or more reference entities as specified in the applicable Pricing Conditions) the degree of correlation between (i) the entity(ies) which is or are the issuer or issuers of the New Charged Assets and the risks associated therewith, and (ii) the entity(ies) which is or are the reference entity(ies) in respect of the credit-linked Certificates, being no greater than the degree of correlation between (x) the entity(ies) which is or are the issuer or issuers of the Original Charged Assets and the risks associated therewith, and (y) the entity(ies) which is or are the reference entity(ies) in respect of the credit-linked Certificates (in each case as determined by the Counterparty in good faith and in a commercially reasonable manner with reference to such information published by any rating agency(ies) or such market information as it may in good faith and in a commercially reasonable manner deem relevant); (e) the New Charged Assets meeting the Counterparty’s general credit and trading policies as of the relevant time; (f) no event having occurred with respect to the New Charged Assets which could lead to any redemption in whole or in part of the Certificates; (g) the New Charged Assets having a scheduled maturity date falling on or about but no later than the Scheduled Maturity Date; (h) the New Charged Assets having an outstanding principal amount equal to the outstanding principal amount of the Original Charged Assets and (i) if the Company is a “nonparticipating foreign financial institution” (as such term is used under section 1471 of the U.S. Internal Revenue Code or in any regulations or guidance thereunder), the New Charged Assets being assets payments on which would not be subject to FATCA Withholding if paid before the maturity of the Certificates (in the determination of the Counterparty).

**“Substitution Notice”** has the meaning given to it in Condition 4(i).

**“Successor”** means, in relation to the Principal Paying Agent, any Registrar, the Custodian, the Calculation Agent or any Paying Agent, Transfer Agent or such other or further person as may from time to time be

appointed by the Company as such with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to the Certificateholders.

**“Supplemental Portfolio Management Agreement”** has the meaning given to it in the preamble to these Conditions.

**“Swap Agreement”** has the meaning given to it in the preamble to these Conditions.

**“Swap Agreement Termination”** means the occurrence of an Early Termination Date under the Swap Agreement (if any).

**“Swap Reference Rate”** means, for a Swap Transaction, any interest rate, index, benchmark or price source by reference to which any amount payable by the Counterparty to the Company under the Swap Transaction is determined.

**“Swap Termination Payment Date”** means the date on which any Termination Payment is payable under the Swap Agreement (if any) in respect of a Swap Agreement Termination.

**“Swap Transaction”** has the meaning given to it in the preamble to these Conditions.

**“Talons”** has the meaning given to it in the preamble to these Conditions.

**“T2”** means the real time gross settlement system operated by the Eurosystem, or any successor system.

**“TARGET”** has the meaning given to it in Condition 9.

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

**“Termination Payment”** means any Early Termination Amount (as defined in the Swap Agreement) payable under the Swap Agreement (if any).

**“Tranche”** means, in respect of a Series, those Certificates of that Series that are issued on the same date at the same issue price and in respect of which the first payment of interest is identical.

**“Transaction Document”** means with respect to a Series of Certificates, each agreement entered into by the Company with respect to such Series or that is applicable to such Series including, but not limited to, the Agency Agreement, the Dealer Agreement, the Custody Agreement, the Trust Deed, the Swap Agreement (if any), and the Portfolio Management Agreement (if any) as each such document relates to such Series.

**“Transaction Parties”** means the Trustee, JPMS plc as arranger and dealer in respect of the Programme and the Certificates, respectively, JPMSE as dealer in respect of the Certificates, the Custodian, the Agents, the Portfolio Manager, the Counterparty and any Credit Support Provider, the process agent appointed in the Programme Deed and any other person specified in the applicable Pricing Conditions as being a Transaction Party or that is a party to a Related Agreement.

**“Transfer Agents”** means the transfer agents or any successor appointed in respect of the Certificates.

**“Trust Deed”** has the meaning given to it in the preamble to these Conditions.

**“Trustee”** means the trustee for the time being and any successor trustee.

**“Trustee Application Date”** means each date on which the Trustee determines to make a distribution in respect of an enforcement by it of the Security.

**“Uncertificated Certificates”** means Registered Certificates issued in uncertificated form.

**“Underlying Obligation”** means, with respect to an Underlying Obligor, the Outstanding Charged Assets or Company Posted Collateral, as the case may be, any Identical Assets, any obligation of such Underlying

Obligor (whether present or future, contingent or otherwise, as principal or surety or as provider of an Underlying Obligor Guarantee or otherwise) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit) and any Equivalent Obligations.

**“Underlying Obligor”** means an obligor of any Outstanding Charged Assets or Company Posted Collateral.

**“Underlying Obligor Guarantee”** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Underlying Obligor irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest due under an Underlying Obligor Guarantee Obligation for which the Relevant Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

**“Underlying Obligor Guarantee Obligation”** means, with respect to a guarantee, the obligation which is the subject of the guarantee.

**“Underlying Obligor Reference Date”** means, for a Series, the date specified in the applicable Pricing Conditions.

**“Undeliverable OCA Amount”** means, in respect of a Certificateholder, (i) the Certificateholder Proportion in respect of that Certificateholder multiplied by the total principal amount of the Original Charged Assets as at the date of the Substitution Notice minus (ii) the principal amount of the Deliverable OCA Amount in respect of that Certificateholder.

**“United States”** means the United States of America (including the states and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

**“U.S. Person”** means a “United States person” within the meaning of Section 7701(a)(30) of the Code, including a U.S. citizen or resident, a corporation or partnership organised in or under the laws of the United States, and certain estates and trusts.

**“U.S. Withholding Certificates”** means, for a Series, any Certificate of such Series if in respect of such Series:

- (i) the Certificates are secured by any Original Charged Asset that is a debt instrument issued by a U.S. Person or that otherwise pays or is deemed to pay amounts treated as U.S. source income for U.S. federal income tax purposes;
- (ii) the Certificates are secured by any Outstanding Charged Asset (other than the Original Charged Assets) that is a debt instrument issued by a U.S. Person or that otherwise pays or is deemed to pay amounts treated as U.S. source income for U.S. federal income tax purposes; or
- (iii) the Counterparty is a U.S. Person.

U.S. Withholding Certificates may be issued solely as Registered Certificates.

**“Valuation Agent”** means the valuation agent under the Credit Support Annex, which will generally be the calculation agent under the Swap Agreement.

**“Value”** means the value of Eligible Credit Support (VM) comprised in a Credit Support Balance (VM), as determined by the Valuation Agent, and which is used for purposes of determining whether sufficient collateral has been transferred under a Credit Support Annex. The “Value” for this purpose may include certain “haircuts” to the actual value of such eligible credit support. These “haircuts” operate as reductions in the value of Eligible Credit Support (VM) used for the purpose of determining whether sufficient collateral

has been provided under the Credit Support Annex. This will generally result in a slight over-collateralisation by the transferor as compared to the position that would have applied were actual values to be used. Such term is used and more precisely defined in the relevant Credit Support Annex.

“**Withholding Tax Event**” has the meaning given to it in Condition 10(c)(ii)(1).

“**Written Resolution**” has the meaning given to it in Condition 18(a).

“**Zero Coupon**” has the meaning given to it in the definition of Interest Basis.

## Pricing Conditions

Company:	Defensive Certificates PLC
Series Number:	4
Tranche Number:	1
Currency of Denomination:	EUR
Relevant Currency:	EUR
Aggregate Principal Amount:	Up to EUR 100,000,000
Trade Date:	27 May 2024
Issue Date:	27 May 2024
Issue Price:	100 per cent.
Original Charged Assets:	The “ <b>Original Charged Assets</b> ” shall comprise up to EUR 100,000,000 of Class A Shares in Smart Global Defence Zero Coupon Fineco AM Fund, a sub-fund of FAM Series UCITS ICAV (the “ <b>Fund</b> ”) due 30 June 2028 (ISIN: IE0006EE6JO3) issued in registered uncertificated form, held outside the clearing systems (the “ <b>Underlying Fund Shares</b> ”).
Underlying Obligor Reference Date:	Trade Date
Swap Agreement:	Yes
Credit Support Annex:	Applicable – Payable by Counterparty
Counterparty:	J.P. Morgan SE
Dealer:	J.P. Morgan SE
Broker:	J.P. Morgan Securities plc
Custodian:	The Bank of New York Mellon, London Branch
Calculation Agent:	J.P. Morgan Securities plc
Process Agent:	Vistra Trust Company Limited of 7th Floor 50 Broadway, London, United Kingdom, SW1H 0DB

### Condition 1 (Form, Denomination and Title)

Form of Certificates:	Registered Certificates
Temporary Global Note exchangeable for Permanent Global Note or Definitive Bearer Notes:	No
Certificates to be Issued:	Yes Global Certificate exchangeable for Certificates in the limited circumstances specified in the Global Certificate.
New Global Note:	Not Applicable
Global Certificate under New Safekeeping Structure:	No
Denomination(s):	EUR 1,000
Calculation Amount:	EUR 1,000

### Condition 4 (Security)

Substitution of Original Charged Assets pursuant to Condition 4(i):	Not permitted
Irish Law Security Agreement:	<p>Aside from the English law security interests in respect of the Mortgaged Property granted by the Company to the Trustee pursuant to the Trust Deed as security for the Secured Liabilities, the Company has also granted an Irish law security interest to the Trustee over the Company's rights, title and interest in respect of the Underlying Fund Shares as security for the Secured Liabilities under a security agreement between the Company and the Trustee dated the Issue Date (the "<b>Irish Law Security Agreement</b>").</p> <p>For the purposes of the Certificates and the Trust Deed, the Irish Law Security Agreement shall be deemed to constitute a Relevant Charging Instrument and therefore also a Security Document.</p>
<b>Condition 6 (Interest)</b>	
Interest Basis:	Variable-linked Interest Rate Certificate
<b>Fixed Rate:</b>	Not Applicable
<b>Floating Rate:</b>	Not Applicable
<b>Variable-linked Interest Rate Certificate:</b>	Applicable
Provision for determining coupon where calculated by reference to formula and/or other variable:	<p>Notwithstanding anything to the contrary in Condition 6 (<i>Interest</i>), the Interest Rate for each Interest Accrual Period payable in respect of each Certificate on each Specified Interest Payment Date shall be determined by the Calculation Agent to be equal to:</p> <p>(a) if on the Valuation Date immediately preceding such Specified Interest Payment Date, the Reference Share Worst Performance is greater than or equal to the Barrier Level, 5.00 per cent. per annum; or</p> <p>(b) otherwise, 0.00 per cent. per annum.</p> <p>where:</p> <p><b>"Barrier Level"</b> means:</p> <p>(a) in respect of the first Valuation Date falling on 2 December 2024 and the Valuation Dates falling in 2025 and 2026, 80 per cent.; or</p> <p>(b) in respect of the Valuation Dates falling in 2027 and 2028, 100 per cent.</p> <p><b>"Closing Reference Share Price"</b> has the meaning given to such term in the Share Linked Provisions set out in Schedule 2.</p> <p><b>"Initial Reference Share Level"</b> means, in respect of any Reference Share, the initial price of such Reference Share on the Initial Valuation Date as determined by the Calculation Agent.</p> <p><b>"Initial Valuation Date"</b> means 27 May 2024.</p>



**“Reference Share”** means each share specified in the Reference Shares Table.

**“Reference Share Level”** means, in respect of any Reference Share and a Valuation Date, the Closing Reference Share Price of such Reference Share on such Valuation Date.

**“Reference Shares Table”** means the table set out in Schedule 1 hereto.

**“Reference Share Worst Performance”** means the value determined by the Calculation Agent in accordance with the following formula:

$$\frac{[Worst_0]}{[Worst_1]}$$

**“Valuation Date”** means:

- (a) 2 December 2024; and
- (b) 30 June in each year from, and including, 2025 to, and including, 2028 and with a final Valuation Date on 30 June 2028.

**“Worst<sub>0</sub>”** means the Reference Share Level in respect of the Worst Performing Reference Share.

**“Worst<sub>1</sub>”** means the Initial Reference Share Level in respect of the Worst Performing Reference Share.

**“Worst Performing Reference Share”** means, in respect of any Valuation Date, the Reference Share determined by the Calculation Agent by (a) numbering each Reference Share in order according to the respective values for each Reference Share determined by determining a value for each Reference Share in accordance with the following formula starting with the Reference Share with the lowest such value and ending with the Reference Share with the highest such value (and so that, if more than one Reference Share has the same value, the order of the relevant Reference Shares shall be as determined by the Calculation Agent) and (b) then selecting the Reference Share with the lowest such value:

$$\frac{\text{Reference Share Level}}{\text{Initial Reference Share Level}}$$

Specified Interest Payment Dates: Each date falling five Payment Business Days following each Valuation Date from, and including 2 December 2024 to, and including, 30 June 2028 and with a final Specified Interest Payment Date on the Scheduled Maturity Date.

Interest Commencement Date: 7 July 2024

Adjustment: Applicable

Business Day Convention: Following Business Day Convention

Day Count Fraction: 30/360

**Condition 10 (Redemption and Purchase)**

Scheduled Maturity Date: 7 July 2028

Business Day Convention: Following Business Day Convention

Relevant Regulatory Law Reference      Trade Date  
Date:

**Condition 11 (Redemption Amount and Early Redemption Amount)**

Redemption Amount:      The Redemption Amount payable in respect of each Certificate shall be an amount in EUR determined by the Calculation Agent equal to (subject, for the avoidance of doubt, to Condition 4(g) (*Limited Recourse*):

- (a) 100 per cent. of the Calculation Amount; plus
- (b) the Excess Final Return Amount.

Where:

**“Excess Final Return Amount”** means, in respect of each Certificate, subject to a minimum of zero, such Certificate’s *pro rata* share of an amount equal to the Underlying Fund Shares Redemption Amount minus the Aggregate Principal Amount.

**“Underlying Fund Shares Redemption Amount”** means the aggregate redemption amount comprised of cash in respect of the Underlying Fund Shares payable on their scheduled maturity date (excluding, for the avoidance of doubt, any redemptions in kind in respect of such Underlying Fund Shares).

Early Redemption Amount:      An amount per Certificate determined by the Calculation Agent to be that Certificate’s *pro rata* share of (i) the lower of (a) 100 per cent. of the Aggregate Principal Amount and (b) the Relevant Currency Proceeds plus (ii) any Termination Payment in respect of the Swap Agreement (if any) which is payable to the Company (together, if applicable, with any interest payable thereon) minus (iii) any Termination Payment in respect of the Swap Agreement (if any) which is payable by the Company to the Counterparty (together, if applicable, with any interest payable thereon), plus (iv) the Excess Early Return Amount and minus (v) any Priority Payments. The Early Redemption Amount shall be expressed on a per Certificate basis and shall be subject always to Condition 10(h).

For the purposes hereof, **“Excess Early Return Amount”** means, an amount, subject to a minimum of zero, equal to the Relevant Currency Proceeds minus the Aggregate Principal Amount.

**Condition 12 (Payments and Talons)**

Payment Business Day Centre(s):      TARGET

**DETAILS RELATING TO THE CREDIT SUPPORT ANNEX**

Base Currency      EUR

Eligible Currency:      EUR, CAD, JPY, SEK, CHF, GBP, USD, AUD and NOK

Eligible Credit Support:

Subject to Paragraph 9(e) of the Credit Support Annex, if applicable, and each Credit Support Eligibility Condition (VM) applicable to it specified in Paragraph 11 of the Credit Support Annex, the Eligible Credit Support (VM) for the party specified (as the Transferor) shall be:

**Eligible Credit Support (VM) for the Counterparty:**

<i>Description:</i>	<i>Valuation Percentage:</i>
Negotiable debt obligations issued by any of the governments of (i) the Commonwealth of Australia, (ii) the Kingdom of Belgium, (iii) the Dominion of Canada, (iv) the Republic of France, (v) the Federal Republic of Germany, (vi) Japan, (vii) the Kingdom of the Netherlands, (viii) the United Kingdom of Great Britain and Northern Ireland (ix) the Italian Republic and (x) the United States of America	As set out below
Less than 1 year	99.50%
1 year or more but not more than 5 years	98.00%
More than 5 years but not more than 10 years	96.00%
More than 10 years but not more than 30 years	94.00%

Minimum Transfer Amount for the Counterparty:

EUR 250,000

Valuation Date:

Each day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits).

Valuation Date Location:

London

**Other**

Distribution Type:

Non-U.S. Distribution

Talons for future Coupons or Receipts to be attached to Definitive Bearer Certificates (and dates on which such Talons mature):

Not Applicable

Certificateholder Representative:

Not Applicable

SFCA Provisions:

Applicable

Further variations:

The following provisions shall constitute "Additional Conditions":

**1. Amendments to Condition 6 (Interest)**

Condition 6 (*Interest*) shall be amended by inserting the following paragraph immediately after the first

paragraph concluding with the words “may be different for different Basis Periods”:

““Variable-linked Interest Rate Certificate” may be specified in the applicable Pricing Conditions. Each Variable-linked Interest Rate Certificate bears interest on its Interest Bearing Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate. The Interest Rate in respect of Variable-linked Interest Rate Certificates for each Interest Accrual Period shall be determined in the manner specified in the applicable Pricing Conditions and interest will accrue in accordance with the applicable Pricing Conditions.”

**2. Amendments to Condition 9 (*Business Day Convention*)**

The final sentence of Condition 9 shall be deemed to be deleted and replaced with the following:

“In addition to the above, where “TARGET” is specified instead of a city in respect of any business day centre or convention, it shall mean that to be a business day of the relevant type, the day must be a day on which T2 is open for the settlement of payments in euro.”

**3. Amendments to Condition 18(h) (*Rights relating to Outstanding Charged Assets*)**

Condition 18(h) (*Rights relating to Outstanding Charged Assets*) shall be deemed to be deleted in its entirety and replaced with:

“Except where the Conditions expressly so provide, the Company will not exercise any rights or take any action in its capacity as holder of the Outstanding Charged Assets unless directed to do so by the Trustee (which the Trustee may do in its discretion and shall do if requested by an Extraordinary Resolution of the Certificateholders and is indemnified to its satisfaction against all Related Liabilities), in each case prior consultation with the Counterparty (if any) and the Credit Support Provider of such Counterparty, and, if such exercise or action is in the reasonable opinion of any Counterparty and the Credit Support Provider of such Counterparty likely to affect the value of the Outstanding Charged Assets, the Notes or the Swap Agreement, it shall not be done without the prior written consent of any such Counterparty and the Credit Support Provider of such Counterparty. If such direction is given, the Company will act only in accordance with such direction.

**4. Amendments to Condition 25 (*Definitions*)**

The following definition of “Fund Letter Agreement” shall be deemed to be added to Condition 25 (*Definitions*):

**"Fund Letter Agreement"** means a letter agreement entered into between, amongst others, the Company, the Trustee, the Broker and the Fund dated the Issue Date.

**5. Market Value Early Redemption Event**

Condition 10 (*Redemption and Purchase*) shall be amended by inserting the following as new Conditions 10(i) (*Market Value Early Redemption Event*) and 10(j) (*Redemption Following a Fund Event*):

*"(i) Market Value Early Redemption Event*

If the market value of the Certificates is less than, or equal to, 30 per cent. of the Aggregate Principal Amount (the "**Market Value Threshold**"), as determined in the sole discretion of the Calculation Agent (a "**Market Value Early Redemption Event**"), then the Company shall redeem all the Certificates (but not some only) at the Early Redemption Amount on the Early Redemption Date and there will be no separate payment of any unpaid accrued interest thereon. Notice of any such redemption shall be given to the Certificateholders (and copied to the Principal Paying Agent) in accordance with Condition 17 as soon as practicable and in any event, no later than the fifth Business Day prior to the Early Redemption Date. The Calculation Agent shall not have any duty to monitor, enquire or satisfy itself as to whether any Market Value Early Redemption Event has occurred and shall not have any liability for giving or not giving any notice in respect of a Market Value Early Redemption Event.

*(j) Redemption Following a Fund Event*

If the Calculation Agent determines that a Fund Event (as defined in Schedule 3 (*Fund Event Definitions*)) has occurred, then it shall notify the same to the Company as soon as reasonably practicable, following which the Company shall notify the Certificateholders of such fact (including a description of the facts relevant to such occurrence in reasonable detail and with a copy to the Principal Paying Agent, the Trustee, the Counterparty, the Calculation Agent and the Custodian) and the Company shall redeem all the Certificates (but not some only) at the Early Redemption Amount on the Early Redemption Date and there will be no separate payment of any unpaid accrued interest thereon. Notice of any such redemption shall be given to the Certificateholders (and copied to the Principal Paying Agent) in accordance with Condition 17 as soon as practicable and in any event, no later than the fifth Business Day prior to the Early Redemption Date. The Calculation Agent shall not have any duty to monitor, enquire or satisfy itself as to whether any Fund Event

has occurred and shall not have any liability for giving or not giving any notice in respect of a Fund Event.”.

**6. Condition 10(d) and Condition 10(e) shall not apply**

Conditions 10(d) (*Redemption Following a Reference Rate Event*) and 10(e) (*Redemption Following an Original Charged Assets Disruption Event*) shall not apply to the Certificates.

**7. Consequential amendments**

(i) The final paragraph of Condition 4(d) (*Method of Liquidation of Outstanding Assets prior to enforcement of the security*) shall be amended as follows:

(a) the words “Conditions 10(b), 10(c), 10(d), or 10(e)” shall be deleted and replaced with the following: “Conditions 10(b), 10(c), 10(i), 10(j), paragraph 4 (*Consequences of Extraordinary Events for a Reference Share*) of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions) or paragraph 5 (*Consequences of Additional Disruption Events*) of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions”; and

(b) the words “Conditions 10(b), 10(c), 10(d) or 10(e)” shall be deleted and replaced with the following: “Conditions 10(b), 10(c), 10(i), 10(j), paragraph 4 (*Consequences of Extraordinary Events for a Reference Share*) of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions) or paragraph 5 (*Consequences of Additional Disruption Events*) of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions”;

(ii) Sub-paragraph (i) of the definition of “Liquidation Event” shall be amended so that the words “Condition 10(b), Condition 10(c), Condition 10(d) or Condition 10(e)” are deleted and replaced with the following: “Condition 10(b), Condition 10(c) or Condition 10(i), Condition 10(j), paragraph 4 (*Consequences of Extraordinary Events for a Reference Share*) of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions or paragraph 5 (*Consequences of Additional Disruption Events*) of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions”;

(iii) Condition 10(a) (*Final redemption*) shall be amended so that the words “Condition 10(b),

Condition 10(c), Condition 10(d) or Condition 10(e)” are deleted and replaced with the following: “Condition 10(b), Condition 10(c), Condition 10(i), Condition 10(j), paragraph 4 (*Consequences of Extraordinary Events for a Reference Share*) of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions) or paragraph 5 (*Consequences of Additional Disruption Events*) of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions”;

- (iv) Condition 10(b) (*Redemption on termination of the Swap Agreement (if any)*) shall be amended so that the words “other than in respect of (i) a Reference Rate Default Event (as defined in Condition 10(d)), except for a Reference Rate Default Event that constitutes a Swap Agreement Transfer Right Event (by reason of the occurrence of a Counterparty Reference Rate Default Event) and the Counterparty has designated such Early Termination Date within 20 days of the date of occurrence of such Counterparty Reference Rate Default Event or (ii) an Original Charged Assets Disruption Event (as defined in Condition 10(e))” are deleted and replaced with the following: “other than in respect of a Market Value Early Redemption Event (as defined in Condition 10(i))”;

- (v) The definition of “Early Redemption” in Condition 25 (*Definitions*) shall be deleted and replaced with the following:

“**Early Redemption**” means a redemption or repayment of the Certificates in whole under Condition 10(b), Condition 10(c), Condition 10(i), Condition 10(j), paragraph 4 (*Consequences of Extraordinary Events for a Reference Share*) of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions or paragraph 5 (*Consequences of Additional Disruption Events*) of Schedule 2 (*Reference Share Linked Provisions*) to the Pricing Conditions or Condition 13 (and, for the avoidance of doubt, which redemption may take place prior to, on or after the Maturity Date of the Certificates).”

- (vi) **Liquidation Period**

The definition of “Liquidation Period” in Condition 25 (*Definitions*) shall be deleted and replaced with the following:

“**Liquidation Period**” means the period from and including the date on which a Liquidation Event occurs to and including the 15th Payment Business Day following the date on which the Liquidation

Event occurred save that where the Liquidation Event is as a result of one or more of the Outstanding Charged Assets being subject to a Charged Assets Redemption Event, the Liquidation Period (which, for the avoidance of doubt, shall apply to all Outstanding Charged Assets whether or not they are the subject of a Charged Assets Redemption Event) shall be the period from and including the Payment Business Day that immediately precedes the date on which the Outstanding Charged Assets that are the subject of the Charged Assets Redemption Event are scheduled for redemption or repayment prior to their scheduled maturity date (or, where there is more than one such date, the earliest such date) to and including the 15th Payment Business Day following such date.”

(vii) **Liquidation of Underlying Fund Shares**

Notwithstanding any term to the contrary, as soon as reasonably practicable following the occurrence of a Liquidation Event where the Broker becomes obliged to realise the Underlying Fund Shares pursuant to Condition 4(d) (*Method of Liquidation of Outstanding Assets prior to enforcement of the security*), the Broker shall determine whether the Underlying Fund Shares should be realised (a) by way of sale or (b) by way of redemption, and notify the Company (in writing) of such determination and instruct the Company to, whereupon the Company shall, in the case of (a) above, complete a share transfer form in respect of the Underlying Fund Shares or, in the case of (b) above, submit a redemption request in respect of the Underlying Fund Shares to the Fund.

(viii) The definition of “Charged Assets Default” in Condition 25 (*Definitions*) shall be deleted and replaced with the following:

“**Charged Assets Default**” means where the Trustee is notified by the Company, any Counterparty or any of the Certificateholders that a Custodian/Agent Failure to Pay has occurred or that Information exists of any of the following events or circumstances:

- (i) in respect of the Outstanding Charged Assets, a Certificates Obligation Default; or
- (ii) in respect of any Underlying Obligor, a Certificates Bankruptcy.

A Charged Assets Default will occur whether or not the event giving rise to the Charged Assets Default



arises directly or indirectly from, or is subject to a defence based upon (a) any lack or alleged lack of authority or capacity of the Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Underlying Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.”

**8. Condition 11 (*Redemption Amount and Early Redemption Amount*)**

Notwithstanding the Early Redemption Amount specified in these Pricing Conditions, the third paragraph of Condition 11 (*Redemption Amount and Early Redemption Amount*) shall continue to apply, but the reference therein to the Standard Early Redemption Amount shall be construed as a reference to the Early Redemption Amount.

**9. Reference Share Linked Provisions**

The Reference Share Linked Provisions set out in Schedule 2 shall apply to the Certificates.

## SCHEDULE 1 REFERENCE SHARES

### 1. SHARES ISSUED BY INTESA SANPAOLO SPA

#### Part A - Description of Intesa Sanpaolo S.p.A.

Name: Intesa Sanpaolo S.p.A.  
Address: Piazza San Carlo 156  
IT-10121 Torino, Piemonte  
Italy  
Country of Incorporation: Italian Republic  
Business Activities: Banking  
Regulated or equivalent third country market or SME Growth Market on which the Fund has securities admitted to trading: The Regulated Market of Euronext Milan

#### Part B - Description of Reference Shares

##### Reference Shares:

ISIN: IT0000072618  
Dividend: The shares are entitled to a distribution of dividends *pari passu* with holders of ordinary shares  
Maturity: N/A  
Currency: EUR  
Governing Law: Italian law  
Ordinary/Preference: Ordinary  
Admitted to trading on the following markets: The Regulated Market of Euronext Milan  
Exchange: Borsa Italiana  
<https://www.borsaitaliana.it/borsa/azioni/profilo-societa-dettaglio.html?isin=IT0000072618&lang=en>  
Bloomberg Code: ISP IM Equity

#### Part C – Weighting of Reference Shares

Weighting: One-third

### 2. SHARES ISSUED BY BPER Banca SPA

#### Part A - Description of BPER Banca S.p.A.

Name: BPER Banca S.p.A.  
Address: Via San Carlo 8/20  
IT-41121 Modena  
Italy  
Country of Incorporation: Italian Republic  
Business Activities: Banking

Regulated or equivalent third country market or SME Growth Market on which the Fund has securities admitted to trading: The Regulated Market of Euronext Milan

#### **Part B - Description of Reference Shares**

ISIN: IT0000066123

Dividend: The shares are entitled to a distribution of dividends *pari passu* with holders of ordinary shares

Maturity: N/A

Currency: EUR

Governing Law: Italian law

Ordinary/Preference: Ordinary

Admitted to trading on the following markets: The Regulated Market of Euronext Milan

Exchange: Borsa Italiana  
<https://www.borsaitaliana.it/borsa/azioni/dati-completi.html?isin=IT0000066123&lang=en>

Bloomberg Code: BPE IM Equity

#### **Part C – Weighting of Reference Shares**

Weighting: One-third

### **3. SHARES ISSUED BY BANCO BPM SPA**

#### **Part A – Description of Banco BPM S.p.A.**

Name: Banco BPM S.p.A.

Address: Piazza F. Meda 4  
IT-20121 Milan  
Italy

Country of Incorporation: Italian Republic

Business Activities: Banking

Regulated or equivalent third country market or SME Growth Market on which the Fund has securities admitted to trading: The Regulated Market of Euronext Milan

#### **Part B – Description of Reference Shares**

ISIN: IT0005218380

Dividend: The shares are entitled to a distribution of dividends *pari passu* with holders of ordinary shares

Maturity: N/A

Currency: EUR

Governing Law: Italian law

Ordinary/Preference: Ordinary

Admitted to trading on the following markets: The Regulated Market of Euronext Milan

Exchange: Borsa Italiana  
<https://www.borsaitaliana.it/borsa/azioni/dati-completi.html?isin=IT0005218380&lang=en>

Bloomberg Code: BAMI IM Equity

**Part C – Weighting of Reference Shares**

Weighting: One-third

## **SCHEDULE 2**

### **REFERENCE SHARE LINKED PROVISIONS**

#### **1 Consequences of Disrupted Days**

If the Calculation Agent determines that any Valuation Date is a Disrupted Day, then:

- (a) the Valuation Date for each Reference Share which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date; and
- (b) the Valuation Date for each Reference Share which the Calculation Agent determines is affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day relating to that Reference Share, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Reference Share. In that case:
  - (i) the last consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Reference Share, notwithstanding the fact that such day is a Disrupted Day; and
  - (ii) the Calculation Agent shall determine its good faith estimate of the value for such Reference Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Closing Reference Share Price in respect of the Valuation Date.

#### **2 Correction of prices**

In the event that any price published on the Exchange on any date which is utilised for any calculation or determination in connection with the Reference Shares is subsequently corrected and the correction is published by the Exchange by the earlier of:

- (a) one Settlement Cycle after the original publication; and
- (b) the second Business Day prior to the next date on which any relevant payment may have to be made by the Company or in respect of which any relevant determination in respect of the Certificates may have to be made,

the Calculation Agent may determine the amount that is payable or deliverable or make any determination in connection with the Certificates after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Certificates to account for such correction.

Upon making any such determination or adjustment, as applicable, to take into account any such correction, the Calculation Agent shall give notice as soon as practicable to the Certificateholders (with a copy to the Principal Paying Agent, the Trustee, the Counterparty, the Calculation Agent and the Custodian) stating the determination or adjustment, as applicable, to any amount payable or deliverable under the Certificates and/or any of the other relevant terms and giving brief details of the determination or adjustment, as applicable, provided that any failure to give such notice shall not affect the validity of such determination or adjustment, as applicable, or any action taken.

#### **3 Consequences of Potential Adjustment Events**

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of a Reference Share, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Reference Shares and, if so, the Calculation Agent will (i) make the corresponding adjustment(s), if any, to one or more of any variable

relevant to the payment or other terms of the Certificates as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Reference Share) and (ii) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Reference Shares traded on such options exchange.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Certificateholders (with a copy to the Principal Paying Agent, the Trustee, the Counterparty, the Calculation Agent and the Custodian) stating the adjustment to any amount payable under the Certificates and/or any of the other relevant terms and giving brief details of the Potential Adjustment Event, provided that any failure to give such notice shall not affect the validity of the Potential Adjustment Event or any action taken.

#### 4 Consequences of Extraordinary Events for a Reference Share

If the Calculation Agent determines that a Merger Event, a Tender Offer, a Nationalisation, an Insolvency or a Delisting has occurred in respect of a Reference Share, then, on or after the relevant Merger Date, Tender Offer Date or Announcement Date, as the case may be, the Calculation Agent may in its discretion either:

- (a)
  - (i) make such adjustment to the payment or any other terms of the Certificates as the Calculation Agent determines appropriate to account for the economic effect on the Certificates of such Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting, as the case may be (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Reference Shares or to the Certificates), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting, as the case may be, by an options exchange to options on the relevant Reference Shares traded on such options exchange; and
  - (ii) determine the effective date of that adjustment (but, in the case of a Tender Offer, the Reference Share Issuer and the Reference Share will not change); or
- (b) the Calculation Agent may select a new underlying Reference Share (in respect of the relevant Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting, as the case may be, the **"Replacement Reference Share"**), which Replacement Reference Share will be deemed to be a Reference Share in place of the Reference Share which has been replaced by the Calculation Agent following such Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting, as the case may be (and the Reference Share Issuer of the Replacement Reference Share will replace the Reference Share Issuer of the replaced Reference Share), and the Calculation Agent may make such adjustment to the payment or any other terms of the Certificates as the Calculation Agent determines appropriate to account for the economic effect on the Certificates of the Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting, as the case may be, and/or the replacement of the replaced Reference Share by the Replacement Reference Share (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Reference Shares or to the Certificates). Any Replacement Reference Share will, to the extent practicable, be selected from the same industry, have Reference Shares denominated in the same currency and have a similar market capitalisation to the relevant replaced Reference Share.

Upon making any such adjustment to the terms of the Certificates under (a) or (b) above or selecting a Replacement Reference Share under (b) above, the Calculation Agent shall give notice as soon

as practicable to the Certificateholders (with a copy to the Principal Paying Agent, the Trustee, the Counterparty, the Calculation Agent and the Custodian) stating the adjustment to any amount payable under the Certificates or the Replacement Reference Share and/or any of the other relevant terms and giving brief details of the Extraordinary Event in respect of the Reference Share, provided that any failure to give such notice shall not affect the validity of the Extraordinary Event or any action taken; or

- (c) if the Calculation Agent determines that no adjustment that it could make under (a) or (if applicable) (b) will produce a commercially reasonable result, then it shall notify the same to the Company as soon as reasonably practicable, following which the Company shall notify the Certificateholders of such fact (including a description of the facts relevant to such occurrence in reasonable detail and with a copy to the Principal Paying Agent, the Trustee, the Counterparty, the Calculation Agent and the Custodian) and the Company shall redeem all the Certificates (but not some only) at the Early Redemption Amount on the Early Redemption Date and there will be no separate payment of any unpaid accrued interest thereon. Notice of any such redemption shall be given to the Certificateholders (and copied to the Principal Paying Agent) in accordance with Condition 17 as soon as practicable and in any event, no later than the fifth Business Day prior to the Early Redemption Date.

## **5 Consequences of Additional Disruption Events**

If the Calculation Agent determines that an Additional Disruption Event has occurred, then the Calculation Agent shall,

- (a) make such adjustment to the payment or any other terms of the Certificates as the Calculation Agent determines appropriate to account for the economic effect on the Certificates of such Additional Disruption Events (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Reference Shares or to the Certificates). Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Certificateholders (with a copy to the Principal Paying Agent, the Trustee, the Counterparty and the Custodian) stating the adjustment to any amount payable under the Certificates and/or any of the other relevant terms and giving brief details of the Additional Disruption Event, provided that any failure to give such notice shall not affect the validity of the Additional Disruption Event or any action taken; or
- (b) notify the same to the Company as soon as reasonably practicable, following which the Company shall notify the Certificateholders of such fact (including a description of the facts relevant to such occurrence in reasonable detail and with a copy to the Principal Paying Agent, the Trustee, the Counterparty, the Calculation Agent, and the Custodian) and the Company shall redeem all the Certificates (but not some only) at the Early Redemption Amount on the Early Redemption Date, and which shall be the only amount payable in respect of such Certificates and there will be no separate payments of any unpaid accrued interest thereon. Notice of any such redemption shall be given to Certificateholders (and copied to the Principal Paying Agent) in accordance with Condition 17 as soon as practicable and in any event, no later than fifth Business Day prior to the Early Redemption Date.

Upon making any such adjustment in accordance with sub-paragraph (b) above, the Calculation Agent shall give notice as soon as practicable to the Certificateholders (with a copy to the Principal Paying Agent, the Trustee, the Counterparty, the Calculation Agent and the Custodian) stating the adjustment to any amount payable under the Certificates and/or any of the other relevant terms and giving brief details of the Additional Disruption Event, provided that any failure to give such notice shall not affect the validity of the Additional Disruption Event or any action taken.

## 6 Definitions

The following terms and expressions shall have the following meanings in relation to the Certificates:

**"Additional Disruption Events"** means (a) a Change in Law, and (b) Insolvency Filing (each, an **"Additional Disruption Event"**).

**"Announcement Date"** means, in respect of (a) a Merger Event, the date of the first public announcement of a firm intention to engage in a transaction (whether or not subsequently amended) that leads to the Merger Event, (b) a Tender Offer, the date of the first public announcement of a firm intention to purchase or otherwise obtain the requisite number of voting shares (whether or not subsequently amended) that leads to the Tender Offer, (c) in the case of a Nationalisation, the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation, (d) in the case of an Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency or (e) in the case of a Delisting, the date of the first public announcement by the Exchange that the Shares will cease to be listed, traded or publicly quoted in the manner described in the definition of Delisting.

**"Business Day"** has the meaning given to it in the Master Conditions.

**"Change in Law"** means that, on or after the Issue Date of the Certificates (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that it has, or it will, within the next 15 calendar days but on or prior to the Scheduled Maturity Date (as defined in the Pricing Conditions), become illegal to hold, acquire or dispose of Reference Shares.

**"Clearance System"** means, in respect of a Reference Share, the principal domestic clearance system customarily used for settling trades in the relevant Reference Share. If the Clearance System ceases to settle trades in such Reference Share, the Clearance System will be determined by the Calculation Agent.

**"Clearance System Business Day"** means, in respect of a Clearance System and a Reference Share, any day on which such Clearance System is (or, but for the occurrence of a Share Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

**"Closing Reference Share Price"** means, on any day and in respect of any Reference Share, the official closing price of such Reference Share on the Exchange as of the Valuation Time on the relevant day, or if there is no official closing price, the mid-market price per such Reference Share on the Exchange at the Valuation Time on such day, all as determined by the Calculation Agent subject as provided in the Share Linked Provisions.

**"Delisting"** means that the Exchange announces that pursuant to the rules of such Exchange, the Reference Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

**"Disrupted Day"** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**"Early Closure"** means, in respect of a Reference Share, the closure on any Exchange Business Day of the relevant Exchange relating to such Reference Share or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange, as



the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (b) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution as at the relevant Valuation Time on such Exchange Business Day.

**"Exchange"** means, in respect of a Reference Share, each exchange or quotation system specified as such in the Reference Shares Table (as defined in the Pricing Conditions) for such Reference Share, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Reference Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Reference Share on such temporary substitute exchange or quotation system as on the original Exchange).

**"Exchange Business Day"** means, in respect of a Reference Share, any Scheduled Trading Day for such Reference Share on which each Exchange and each Related Exchange for such Reference Share are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**"Exchange Disruption"** means, in respect of a Reference Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Reference Shares on the Exchange, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to such Reference Share on any relevant Related Exchange.

**"Extraordinary Events"** means a Merger Event, a Tender Offer, a Nationalisation, an Insolvency or a Delisting.

**"Initial Valuation Date"** means each date specified as such in the relevant Issue Terms or, if such date is not a Scheduled Trading Day in respect of a Share, the next following Scheduled Trading Day.

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Reference Share Issuer (a) all the Reference Shares of that Reference Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Reference Shares of that Reference Share Issuer become legally prohibited from transferring them.

**"Insolvency Filing"** means that the Reference Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing.

**"Market Disruption Event"** means, in respect of a Reference Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

**"Maximum Days of Disruption"** means eight Scheduled Trading Days.

**"Merger Date"** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**"Merger Event"** means, in respect of any relevant Reference Shares, any (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Reference Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the Reference Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Reference Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Reference Shares of the Reference Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Reference Shares (other than such Reference Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Reference Share Issuer or its subsidiaries with or into another entity in which the Reference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Reference Shares (other than Reference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Reference Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the final Valuation Date.

**"Nationalisation"** means that all the Reference Shares or all or substantially all the assets of a Reference Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**"Potential Adjustment Event"** means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Reference Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Reference Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Reference Shares of (i) such Reference Shares, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Share Issuer equally or proportionately with such payments to holders of such Reference Shares, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) in respect of a Reference Share, an amount per Reference Share is determined by the Calculation Agent to be an extraordinary dividend;
- (d) a call by the Reference Share Issuer in respect of relevant Reference Shares that are not fully paid;
- (e) a repurchase by the Reference Share Issuer or any of its subsidiaries of relevant Reference Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of the Reference Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Shares.

**"Related Exchange"** means, in respect of any Reference Share, each exchange or quotation system (as determined by the Calculation Agent) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Reference Share.

**"Scheduled Closing Time"** means, in respect of a Reference Share and in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**"Scheduled Trading Day"** means, in respect of a Reference Share, any day on which each Exchange and each Related Exchange for the Reference Share are scheduled to be open for trading for their respective regular trading sessions.

**"Scheduled Valuation Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

**"Settlement Cycle"** means the period of Clearance System Business Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

**"Reference Share Issuer"** means, in respect of a Reference Share, the issuer of such Reference Share.

**"Share Settlement Disruption Event"** means, in respect of a Reference Share, an event that the Calculation Agent determines is beyond the control of the Issuer and/or its affiliates as a result of which the relevant Clearance System cannot clear the transfer of such Reference Share.

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than ten per cent. and less than 100 per cent. of the outstanding voting shares of the Reference Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

**"Tender Offer Date"** means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

**"Trading Disruption"** means, in respect of a Reference Share, any suspension of, or limitation imposed on, trading by the relevant Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (a) relating to the Reference Share on the relevant Exchange or (b) in futures or options contracts relating to the Reference Share on any relevant Related Exchange.

**"Valuation Date"** means each date specified as such in the Pricing Conditions or, if such date is not a Scheduled Trading Day in respect of a Share, the next following Scheduled Trading Day.

**"Valuation Time"** means the Scheduled Closing Time on the relevant Exchange on the relevant day in relation to each Reference Share to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

### SCHEDULE 3 FUND EVENT DEFINITIONS

The following terms and expressions shall have the following meanings in relation to the Certificates:

"Fund" has the meaning given to such term in the Pricing Conditions.

"Fund Determination Date" means the Trade Date.

"Fund Event" means, the occurrence of any of the following, as determined by the Calculation Agent (and, for the avoidance of doubt, the Calculation Agent has no obligation actively to monitor whether or not any of the following events has occurred):

- (a) Insolvency in respect of the Fund, its Management Company or any of its Fund Service Providers;
- (b) a Fund Merger Event in respect of the Fund;
- (c) a Fund Termination in respect of the Fund;
- (d) Nationalisation in respect of the Fund;
- (e) the occurrence of any of the following events (each, a "Fund Extraordinary Event"):

(i) **Global Events:**

- (A) **Modification of Fund Offering Documents:** the Calculation Agent determines that the Fund Offering Documents of the Fund have been amended, supplemented or otherwise modified since the Fund Determination Date, which the Calculation Agent determines would adversely affect a Hypothetical Investor in relation to its hedging activities in respect of the Certificates, including without limitation and by way of example only, to change the strategy or investment objective of such Fund or any investment guidelines or restrictions, the currency in which the Underlying Fund Shares of such Fund are denominated.
- (B) **Disputes:** The Calculation Agent determines that the Fund, the Management Company of the Fund or any of the Fund Service Providers of a Fund become party to any litigation or dispute, which in the determination of the Calculation Agent, could materially impact the performance of the Fund.

(ii) **Net Asset Value and Performance:**

- (A) **Failure to Calculate NAV:** The Calculation Agent determines the Fund or any applicable Fund Service Provider of the Fund fails to calculate and announce and/or publish the NAV per Underlying Fund Share on the date in respect of which such value is scheduled to be published according to the Fund Offering Documents of such Fund, and such breach is not cured within 3 Business Days' to the satisfaction of the Calculation Agent, or any changes are made to the frequency with which, or the dates on which, the NAV per Underlying Fund Share is calculated, as set out in the Fund Offering Documents of such Fund on the Fund Determination Date, and which the Calculation Agent determines that such change will have a material effect on the Certificates.
- (B) **Audited NAV:** in respect of the Fund, the Calculation Agent determines that any audited NAV per Underlying Fund Share of such Fund is different from the NAV per Underlying Fund Share of such Fund previously announced and/or published by such Fund or any Fund Service Provider of such Fund, or such Fund's auditors qualify or

refuse to provide an unqualified report in respect of such Fund or any NAV per Underlying Fund Share of such Fund.

(iii) **Trading:**

- (A) **Mandatory Redemption:** the Calculation Agent determines that the Hypothetical Investor would be required, or that it would be appropriate for the Hypothetical Investor, for any reason whatsoever including without limitation, regulatory reasons or any mandatory redemption imposed by the Fund, to redeem any Underlying Fund Shares it may hold as a hedge in respect of the Certificates.
- (B) **Material Change in Strategy:** (I) A material change is made to (x) the risk profile, (y) the investment objective or (z) the investment restrictions, of the Fund in place as at the Fund Determination Date, or (II) the Calculation Agent is not satisfied that the Fund is being managed in accordance with its rules or in accordance with the description of the Fund's (x) risk profile, (y) investment objective or (z) investment restrictions, of such Fund as set out in its Fund Offering Documents in place as at the Fund Determination Date.
- (C) **Notification from Manager:** If a written notification (or other indication or acknowledgement) by the Management Company to Fund Shareholders or to the administrator of the Fund that, in its opinion, (I) it is not advisable to continue operation of such Fund because it is not economically prudent to do so, (II) the risk profile, strategy or investment objective of the Fund will not, or can no longer, be met in the foreseeable future or (III) liquidation, dissolution or discontinuance of such Fund is recommended.
- (D) **Suspension on Trading:** (I) Any suspension of, or limitation is imposed on, trading of the Fund (by reason of liquidity restrictions or otherwise), or (II) any limitation or other event which prevents the timely payment of redemption proceeds in cash to any investor (as specified in the Fund Offering Documents in place as at the Fund Determination Date), or (III) any dealing request made by any investor or prospective investor in such Fund is deferred in whole or in part.
- (E) **Increase in Fees:** the Calculation Agent determines that (I) the Fund, its Management Company or any Fund Service Provider has amended the management and/or incentive fee (or any other analogous fee) payable to the Management Company and/or any Fund Service Provider, as applicable, or (II) there is an increase in fees payable by the Hypothetical Investor in respect of a purchase, sale or holding in the Underlying Fund Shares of such Fund, or any dealing in the Underlying Fund Shares of such Fund or otherwise investing in such Underlying Fund Shares, from that in place as at the Fund Determination Date.

(iv) **Operational failures**

- (A) **Change in Manager and/or Service Providers:** The Calculation Agent determines that (I) the Management Company of the Fund or any Fund Service Provider of the Fund resigns, has its appointment terminated or is otherwise replaced, (II) the Fund, the Management Company of the Fund or any of the relevant Fund Service Providers has experienced or is experiencing or will experience a material adverse change in its business, assets, operations or financial condition, (III) the Management Company of the Fund or any Fund Service Provider of a Fund has breached any term of any contract between such Fund and its Management Company or any of its Fund Service Provider (as applicable), or (IV) that any contract between the Fund and its

Management Company or any of its Fund Service Providers (as applicable) terminates or is otherwise not renewed or replaced, and the Calculation Agent further determines, in its discretion, that such occurrence could have an adverse economic impact on the Fund.

- (B) **Operational Failures:** the Calculation Agent determines that the operation or organisation of the Fund, the Management Company of the Fund, or any applicable Fund Service Provider of the Fund (including, without limitation, its organisational structure and its procedures, processes or policies in respect of investment selection, due diligence, asset allocation, risk management or investment monitoring) has changed from that as at the Fund Determination Date, or that any such procedures, processes or policies are either not being applied or are not being applied consistently with their application on the Fund Determination Date, where such change has, in the determination of the Calculation Agent, a material effect on the Certificates and such changes are not rectified to the satisfaction of the Calculation Agent within five Business Days.
- (C) **Reporting Failures:** there occurs any failure of the Fund, the Management Company of the Fund or any Fund Service Provider of the Fund to deliver or cause to be delivered to the Hypothetical Investor any information (I) that it is normal practice to deliver or (II) which the Calculation Agent deems necessary for any determinations, including but not be limited to, determinations in respect of the occurrence of any Fund Event or in the execution of its and the Company's duties and obligations with respect to the Certificates, cause to be delivered to any Fund Shareholder or the Hypothetical Investor on or before the time specified in the Fund Offering Documents of such Fund, and such breach is not cured within five Business Days or, if none, within a reasonable time, as determined by the Calculation Agent.

(v) **Regulatory and legal constraints**

- (A) **Regulatory Action:** the Calculation Agent determines that the activities of the Fund, the Management Company of the Fund or any Fund Service Provider of the Fund and/or any of their respective directors, officers, employees or agents are placed under review or investigation by any governmental, legal, administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any governmental, legal, administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, breach (or suspected breach) of any applicable law, rule or regulation or other similar reason and/or the Fund, the Management Company of the Fund or any Fund Service Provider of the Fund and/or any of their respective directors, officers, employees or agents have any of their respective registrations, authorisations, licences or memberships with any governmental, legal, administrative or regulatory authorities revoked, suspended, terminated, limited or qualified in any way.
- (B) **Regulatory Constraints:** the Calculation Agent determines that the Hypothetical Investor is or may in the future be unable, or that it is or may become impractical or difficult for the Hypothetical Investor to perform any obligation imposed on the Hypothetical Investor by any law, rule, regulation or interpretation thereof by any governmental, regulatory or administrative body or authority or court or stock exchange, in each case of competent authority including, without limitation and by way of example only, any reporting or accounting obligation, due to its investment in the Underlying Fund Shares of the Fund.

**"Fund Merger Date"** means, in respect of a Fund Merger Event, the date which is the earlier of:

- (a) a date selected by the Calculation Agent which falls on or after the date on which such Fund Merger Event occurred, as determined by the Calculation Agent; and
- (b) the date upon which all Fund Shareholders have agreed or become obliged to transfer their Underlying Fund Shares, as determined by the Calculation Agent.

**"Fund Merger Event"** means the occurrence of:

- (a) in respect of the Fund, any (i) reclassification or change of such Fund that results in a transfer of, or an irrevocable commitment to transfer, all of the Underlying Fund Shares of such Fund outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Fund with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Fund is the continuing entity and which does not result in a reclassification or change of all such Underlying Fund Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Fund Shares of the Fund that results in a transfer of or an irrevocable commitment to transfer all such Underlying Fund Shares (other than such Underlying Fund Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Fund or its subsidiaries with or into another entity in which the Fund is the continuing entity and which does not result in a reclassification or change of all such Underlying Fund Shares outstanding but results in the outstanding Underlying Fund Shares (other than Underlying Fund Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Fund Shares immediately following such event, in each case if the Fund Merger Date is on or before the Scheduled Maturity Date; and
- (b) in respect of the Management Company of the Fund or any service provider to such Fund, any (i) reclassification or change of the shares of such entity that results in a transfer of or an irrevocable commitment to transfer all of the shares of such entity outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of such entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such entity is the continuing entity and which does not result in a reclassification or change of all of the shares of such entity outstanding), (iii) other takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding shares of such entity that results in a transfer of or an irrevocable commitment to transfer all of such shares (other than the shares of such entity owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of such entity or its subsidiaries with or into another entity in which such entity is the continuing entity and which does not result in a reclassification or change of all the shares of such entity outstanding but results in the outstanding shares of such entity (other than the shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding shares of such entity immediately following such event, in each case if the Fund Merger Date is on or before the Scheduled Maturity Date.

**"Fund Offering Documents"** means the Fund's offering memorandum, prospectus or similar offering document and any supplements and addenda thereto, its constitutional documents, its subscription and redemption documents, as applicable.

**"Fund Shareholder"** means a holder of an Underlying Fund Share of the Fund.

**"Fund Service Provider"** means each of the administrator, the custodian, the auditors, prime brokers or any entities providing services to the Fund.

**"Fund Termination"** means, in relation to the Fund, where the trust deed, partnership agreement, memorandum and articles of association, fund rules, or other similar or equivalent documents constituting such Fund (each, the **"Constitutional Documents"**) has been terminated or otherwise ceased to exist in accordance with the Constitutional Documents. For the avoidance of doubt, and without limiting the generality of the preceding sentence, the following events will constitute a Fund Termination:

- (a) cancellation of the Constitutional Documents by the Management Company or directors;
- (b) an order being made by any competent regulatory authority for cancellation or termination of such Fund; and/or
- (c) an order being made by any competent regulatory authority for (i) cancellation or suspension of the relevant licence of the Management Company required to manage such Fund; or (ii) the winding up of the Management Company.

**"Hypothetical Investor"** means a hypothetical investor comparable to a sophisticated international financial institution, and incorporated in the jurisdiction of the Company, having exposure to an investment in the Underlying Fund Shares of the Fund.

**"Insolvency"** means, in respect of any relevant entity, that the relevant entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d)(i) institutes or has instituted against it, by a regulator, court, administrator, supervisor, government body or any similar official with primary insolvency, rehabilitative, legal or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, court, administrator, supervisor, government body or similar official, or (ii) has instituted against it a proceeding seeking judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (i) above and either (A) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 15 calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (g) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 calendar days thereafter; (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (g) above; or (i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**"Management Company"** means, in respect of the Fund, such entity or entities as the Calculation Agent may determine is for the time being the duly appointed manager of such Fund (and/or any entity or entities to whom such entity or entities may delegate any of its duties, rights, obligations or liabilities in respect of such Fund).

**"Nationalisation"** means, in respect of the Fund, that all the Underlying Fund Shares of such Fund or all or substantially all the assets of the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.



**"NAV"** means, in respect of the Underlying Fund Shares of the Fund and on any relevant day, the net asset value (or, if applicable, the estimated or provisional net asset value) per such Underlying Fund Share in respect of such day (or, if such day is not a Scheduled Trading Day, the most recent Scheduled Trading Day), as calculated and published (or, if not published, as notified) to the Fund Shareholder of such Fund by the relevant Management Company.

**"Scheduled Trading Day"** means any day on which the Fund (or any entity acting on its behalf) is scheduled to publish the NAV of such Fund.

**"Trade Date"** means the date specified as such in the Pricing Conditions.

**"Underlying Fund Shares"** means the shares or units of the Fund specified as such in the Pricing Conditions.

## DESCRIPTION OF THE REFERENCE SHARES

The payment of interest amounts by the Company in respect of any Interest Accrual Period is conditional on the performance of the Worst Performing Reference Share. If the value of the Worst Performing Reference Share, determined by dividing the closing price of such Reference Share on the relevant Valuation Date by the initial price of such Reference Share on the Initial Valuation Date, is less than the Barrier Level, investors will not receive any interest payment in respect of such Interest Accrual Period.

The Reference Shares shall be the shares specified in the table below (the “**Reference Shares Table**”). Information about the Reference Shares can be obtained free of charge through the electronic links associated with the respective exchange, as indicated in the “Exchange” row of the Reference Shares Table. Information about the past and future performance of the Reference Shares and their volatility can be obtained free of charge from the relevant Bloomberg Codes set out in respect of each of the Reference Shares in the Reference Shares Table. The Company will not provide any post-issuance information, except if required by any applicable laws and regulations.

### 1. SHARES ISSUED BY INTESA SANPAOLO SPA

#### Part A - Description of Intesa Sanpaolo S.p.A.

Name:	Intesa Sanpaolo S.p.A.
Address:	Piazza San Carlo 156 IT-10121 Torino, Piemonte Italy
Country of Incorporation:	Italian Republic
Business Activities:	Banking
Regulated or equivalent third country market or SME Growth Market on which the Fund has securities admitted to trading:	The Regulated Market of Euronext Milan

#### Part B - Description of Reference Shares

##### Reference Shares:

ISIN:	IT0000072618
Dividend:	The shares are entitled to a distribution of dividends <i>pari passu</i> with holders of ordinary shares
Maturity:	N/A
Currency:	EUR
Governing Law:	Italian law
Ordinary/Preference:	Ordinary
Admitted to trading on the following markets:	The Regulated Market of Euronext Milan
Exchange:	Borsa Italiana <a href="https://www.borsaitaliana.it/borsa/azioni/profilo-societa-dettaglio.html?isin=IT0000072618&amp;lang=en">https://www.borsaitaliana.it/borsa/azioni/profilo-societa-dettaglio.html?isin=IT0000072618&amp;lang=en</a>
Bloomberg Code:	ISP IM Equity

### Part C – Weighting of Reference Shares

Weighting: One-third

## 2. SHARES ISSUED BY BPER BANCA SPA

### Part A - Description of BPER Banca S.p.A.

Name: BPER Banca S.p.A.  
Address: Via San Carlo 8/20  
IT-41121 Modena  
Italy  
Country of Incorporation: Italian Republic  
Business Activities: Banking  
Regulated or equivalent third country market or SME Growth Market on which the Fund has securities admitted to trading: The Regulated Market of Euronext Milan

### Part B - Description of Reference Shares

ISIN: IT0000066123  
Dividend: The shares are entitled to a distribution of dividends *pari passu* with holders of ordinary shares  
Maturity: N/A  
Currency: EUR  
Governing Law: Italian law  
Ordinary/Preference: Ordinary  
Admitted to trading on the following markets: The Regulated Market of Euronext Milan  
Exchange: Borsa Italiana  
<https://www.borsaitaliana.it/borsa/azioni/dati-completi.html?isin=IT0000066123&lang=en>  
Bloomberg Code: BPE IM Equity

### Part C – Weighting of Reference Shares

Weighting: One-third

## 3. SHARES ISSUED BY BANCO BPM SPA

### Part A – Description of Banco BPM S.p.A.

Name: Banco BPM S.p.A.  
Address: Piazza F. Meda 4  
IT-20121 Milan  
Italy  
Country of Incorporation: Italian Republic  
Business Activities: Banking

Regulated or equivalent third country market or SME Growth Market on which the Fund has securities admitted to trading: The Regulated Market of Euronext Milan

**Part B – Description of Reference Shares**

ISIN: IT0005218380

Dividend: The shares are entitled to a distribution of dividends *pari passu* with holders of ordinary shares

Maturity: N/A

Currency: EUR

Governing Law: Italian law

Ordinary/Preference: Ordinary

Admitted to trading on the following markets: The Regulated Market of Euronext Milan

Exchange: Borsa Italiana  
<https://www.borsaitaliana.it/borsa/azioni/dati-completi.html?isin=IT0005218380&lang=en>

Bloomberg Code: BAMI IM Equity

**Part C – Weighting of Reference Shares**

Weighting: One-third

## DESCRIPTION OF THE FUND AND THE UNDERLYING FUND SHARES

The Original Charged Assets shall comprise up to EUR 100,000,000 of Class A Shares in Smart Global Defence Zero Coupon Fineco AM Fund, a sub-fund of FAM SERIES UCITS ICAV (the “Fund”) due 30 June 2028 (the “Underlying Fund Shares”) identified below:

### Part A - Description of the Fund

<b>The Fund:</b>	Smart Global Defence Zero Coupon Fineco AM Fund, a sub-fund of FAM SERIES UCITS ICAV due 30 June 2028
<b>Address:</b>	32 Molesworth Dublin 2 Ireland
<b>Country of Incorporation:</b>	Ireland
<b>Investment policy:</b>	Investing in investment-grade and non-investment grade fixed and/or floating rate transferable debt securities of all types (including corporate debt securities, bonds and notes, zero-coupon and discount bonds, debentures, inflation linked bonds, subordinated debt securities) denominate in any currency and issued owned or guaranteed by sovereign or government agencies, supranational entities and/or corporate issuers located anywhere in the world (including emerging markets)
<b>Regulated or equivalent third country market or SME Growth Market on which the Fund has securities admitted to trading:</b>	The Regulated Market of Euronext Dublin

### Part B - Description of the Underlying Fund Shares

#### Underlying Fund Shares:

<b>ISIN:</b>	IE0006EE6JO3
<b>Dividend:</b>	N/A
<b>Maturity:</b>	30 June 2028
<b>Currency:</b>	EUR
<b>Governing Law:</b>	Irish Law
<b>Ordinary/Preference:</b>	Ordinary
<b>Admitted to trading on the following markets:</b>	The Regulated Market of Euronext Dublin
<b>Description of Euronext Dublin:</b>	Euronext Dublin, originally known as The Irish Stock Exchange, was established in 1793 and received statutory recognition in 1799. It is a regulated market pursuant to the provisions of the Directive 2014/65/EU. The Central Bank of Ireland is responsible for the supervision of Euronext Dublin. Euronext Dublin publishes price information via the Daily Official List, real-time publication services for listed companies and the Euronext Data Shop for immediate access to financial documents such as annual reports and prospectuses immediately after public release. For an indication of trading volumes, please refer to the

official publication or financial reports of Euronext Dublin available at: <https://www.euronext.com/en/about/media/euronext-press-releases>. The documentation in relation to the Underlying Fund Shares can be found at: <https://live.euronext.com/en/product/funds-detail/1931/characteristics> and <https://finecoassetmanagement.com/archives/products/smart-global-defence-zero-coupon-fineco-am-fund>.

Management fees: Up to 2.00 per cent. per annum, accrued daily and calculated on the net asset value per Underlying Fund Share.

Frequency with which prices of the Underlying Fund Shares will be published: The net asset value of the Underlying Fund Shares will be calculated daily and made available at: <https://finecoassetmanagement.com/>.

Level of collateralisation: The principal amount of the Underlying Fund Shares held by the Company in respect of the Certificates will be an amount such that the aggregate redemption amount comprised of cash in respect of such Underlying Fund Shares payable on their scheduled maturity date is expected to be no less than the aggregate principal amount of the Certificates.

The level of collateralisation provided by the Underlying Fund Shares will be sufficient to fund the final redemption amount payable in respect of the Certificates on their scheduled maturity date, even if such aggregate redemption amount in respect of the Underlying Fund Shares, in practice, is less than the aggregate principal amount of the Certificates. This is because, the final redemption amount in respect of the Certificates actually payable in practice is linked to the extent of the redemption proceeds of the Underlying Fund Shares. Therefore, if the aggregate redemption amount in respect of the Underlying Fund Shares is less than expected, then there will be a corresponding reduction in Certificateholders' claims in respect of the final redemption amount in respect of the Certificates and the final redemption amount payable in respect of the Certificates will be less than the aggregate principal amount of the Certificates.

Interest Amounts payable on the Certificates will not, however, be funded by the Underlying Fund Shares or any payments in respect thereon, but such Interest Amounts will be funded by the amounts payable by the Swap Counterparty to the Company under the Swap Agreement. For further information with respect to payments under the Swap Agreement please see the section of this Prospectus entitled "*The Swap Agreement*".

## **USE OF PROCEEDS**

The net issue proceeds of the Certificates will be used by the Company in acquiring the Underlying Fund Shares specified in the applicable Pricing Conditions and making an initial payment to the Counterparty under the Swap Agreement.

## **THE TRUSTEE**

U.S. Bank National Association is a national banking association chartered under the federal laws of the United States of America, with its principal place of business situated at 800 Nicollet Mall, Minneapolis, MN 55402, United States of America.

U.S. Bank National Association is the primary banking subsidiary of U.S. Bancorp, which has approximately 77,000 employees and USD 675 billion in assets as of December 31, 2022 and is the fifth-largest commercial bank in the United States.



## THE COUNTERPARTY

*The information set out below has been obtained from J.P. Morgan SE. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by J.P. Morgan SE, no facts have been omitted that would render the reproduced information inaccurate or misleading.*

### General

J.P. Morgan SE is a stock corporation under the German Stock Corporation Act (Aktiengesetz) of 1965, incorporated in Germany on 5 December 1974.

J.P. Morgan SE is domiciled in Germany, its registered office is at TaunusTurm, Taunustor 1, 60310 Frankfurt am Main and its telephone number is +49 69 71240. J.P. Morgan SE is registered on the German Commercial Register (Handelsregister) at District court Frankfurt am Main, HRB No. 126056. As of 31 December 2022, the total assets of J.P. Morgan SE based on IFRS were EUR 435,829 million.

The LEI of J.P. Morgan SE is 549300ZK53CNGEEI6A29 and its website is <https://jpmorganchase.com>.

### Business

J.P. Morgan SE is a wholly-owned indirect subsidiary of JPMorgan Chase & Co. J.P. Morgan SE is active primarily in transaction banking, depositary and custody services, global clearing, private banking, markets and lending business for EEA clients and acts globally with respect to Euro clearing. J.P. Morgan SE has a full banking license in accordance with Section 1 Para. 1 of the KWG (Kreditwesengesetz – German Banking Act) and conducts banking business with institutional clients, banks, corporate clients, private clients and clients from the public sector.

### Regulation and supervision

J.P. Morgan SE is authorised by the German Federal Financial Supervisory Authority (“BaFin”) and is jointly regulated by the European Central Bank, BaFin and the German Central Bank (Deutsche Bundesbank).

### Recent Events

The Issuer is not aware of any recent event particular to J.P. Morgan SE which has occurred and which is to a material extent relevant to the evaluation of its solvency.

### Management of J.P. Morgan SE

J.P. Morgan SE is led by a Management Board, which reports to a Supervisory Board.

The Management Board of J.P. Morgan SE consists of:

<b>Name</b>	<b>Position</b>
Stefan Behr	Chairman of the Management Board, Managing Director
Nicholas Conron	Managing Director
Pablo Garnica	Managing Director
Burkhard Kübel-Sorger	Managing Director
Matthieu Wiltz	Managing Director

As at the 2022 audited Financial Statements, the Supervisory Board of J.P. Morgan SE consists of:

<b>Name</b>	<b>Position</b>
Mark S. Garvin	Chairman of the Supervisory Board, Managing Director
Andrew Cox	Deputy Chairman of the Supervisory Board, Managing Director
Marco Kistner	Independent Non-Executive Director
Wanda Eriksen	Independent Non-Executive Director
Pranav Thakur	Managing Director
Susan Dean	Managing Director
Paul Uminski	Managing Director
Elizabeth Munro	Managing Director
Stephane Wathélet	Employee Representative
Thomas Freise	Employee Representative
Tracey Campbell Devery	Employee Representative
Maja Torun	Employee Representative

The business address of each member of the Management Board and Supervisory Board of J.P. Morgan SE in his/her capacity as such is TaunusTurm, Taunustor 1, 60310 Frankfurt am Main. There are no potential conflicts of interest existing between any duties owed to J.P. Morgan SE by the persons listed above and their private interests and/or other duties. There are no principal activities performed by the persons listed above outside of J.P. Morgan SE which are significant with respect to J.P. Morgan SE.

### **Board Committees**

There are a number of committees in place to ensure the integrity of J.P. Morgan SE. These include, amongst others, the Local Operational Risk & Control Committee as well as the Risk Oversight Committee.

### **Corporate Governance**

To the best of its knowledge and belief, J.P. Morgan SE complies with the laws and regulations of Germany regarding corporate governance.

### **Share capital of J.P. Morgan SE and Major Shareholders**

As at 31 December 2022, the issued share capital of J.P. Morgan SE was EUR 1,867,201,586 made up of 160,000,136 ordinary shares of EUR 11.67.

100 per cent of the issued share capital of J.P. Morgan SE is owned by J.P. Morgan International Finance Limited. J.P. Morgan SE is a wholly-owned indirect subsidiary of JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A.

### **Auditor of J.P. Morgan SE**

J.P. Morgan SE's auditor is BDO AG Wirtschaftsprüfungsgesellschaft, having its registered office at Hanauer Landstraße 115, 60314 Frankfurt am Main. BDO AG Wirtschaftsprüfungsgesellschaft is subject to the oversight of the Abschlussprüferaufsichtsstelle (Commission for the Oversight of Auditors in Germany) at Uhlandstraße 88-90, 10717 Berlin. It is also a member of Germany's professional chamber

for public accountants and audit firms, Wirtschaftsprüferkammer (German Chamber of Public Accountants – WPK), at Rauchstraße 26, 10787 Berlin.

BDO AG Wirtschaftsprüfungsgesellschaft audited the financial statements of J.P. Morgan SE for the fiscal year ended 31 December 2022 and 2021 and expressed an unqualified opinion on such financial statements on its reports dated 25 April 2023 and 2 May 2022. The previous auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, expressed an unqualified opinion on the 2020 and 2019 financial statements in its reports dated 14 April 2021 and 23 April 2020.

### **Material Contracts**

J.P. Morgan SE has no contracts that are material to its ability to fulfil its obligations as Swap Counterparty under any Certificates issued under the Programme.

### **Significant or Material Change**

There has been no material adverse change in the prospects or significant change in the financial performance of J.P. Morgan SE since 31 December 2022.

There has been no significant change in the financial position of J.P. Morgan SE since 31 December 2022.

### **Litigation**

J.P. Morgan SE is not subject to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which J.P. Morgan SE is aware) in the twelve months preceding the date of this Prospectus which may have or have had in the recent past a significant effect on the financial position or profitability of J.P. Morgan SE.

### **Financial Statements**

J.P. Morgan SE has prepared audited financial statements in respect of its financial years ending 31 December 2022, 31 December 2021, 31 December 2020 and 31 December 2019. J.P. Morgan SE will prepare annually and publish audited financial statements, with explanatory notes. These financial statements will be available from its registered office at TaunusTurm, Taunustor 1, 60310 Frankfurt am Main.

The audited financial statements of J.P. Morgan SE for the years ended 31 December 2022 and 31 December 2021 are available at <https://jpmorganchase.com>.

### **Documents Available for Inspection**

From the date of this Prospectus and for so long as the Programme remains in effect or any Certificates remain outstanding, the following documents will be available for inspection and obtainable in physical format during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office at TaunusTurm, Taunustor 1, 60310 Frankfurt am Main:

- (i) the Articles of Association (Satzung) of J.P. Morgan SE; and
- (ii) the audited financial statements of J.P. Morgan SE in respect of its financial years ending 31 December 2022, 31 December 2021, 31 December 2020 and 31 December 2019.

The up-to-date Articles of Association (Satzung) of J.P. Morgan SE (referenced at point (i) above) can be found at [https://www.handelsregister.de/rp\\_web/welcome.xhtml](https://www.handelsregister.de/rp_web/welcome.xhtml).

## **Additional Information**

J.P. Morgan SE carries short term credit ratings of P-1/A-1/F1+ and long term credit ratings of Aa3/A+/AA from Moody's Investors Service, Inc., Standard & Poor's Financial Services LLC and Fitch Ratings, Inc. respectively. J.P. Morgan SE carries a Stable Outlook with all 3 rating agencies. Moody's Investors Service, Inc., Standard & Poor's Financial Services LLC and Fitch Ratings, Inc. are registered in the United States and are not registered under Regulation (EC) 1060/2009. However, their ratings have been endorsed by Moody's, S&P and Fitch, respectively, in accordance with the CRA Regulation. Fitch, Moody's and S&P are established in the EU and registered under the CRA Regulation.

The disclosure of J.P. Morgan SE included in this Prospectus has been sourced from publicly available information. J.P. Morgan SE has not been involved in the preparation of, and does not accept responsibility for, this Prospectus in whole or in part. There can be no assurance that this Prospectus contains all material information in respect of J.P. Morgan SE or that no material adverse change has occurred in respect of J.P. Morgan SE since J.P. Morgan SE made the sourced information available to the public.

## **Websites**

Any websites included in this Prospectus are for information purposes only, have not been scrutinised or approved by the Central Bank and the information in such websites does not form any part of this Prospectus unless that information is incorporated by reference into this Prospectus.

## THE BANK OF NEW YORK MELLON

*The information set out below has been obtained from The Bank of New York Mellon. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by The Bank of New York Mellon, no facts have been omitted that would render the reproduced information inaccurate or misleading.*

The Bank of New York Mellon, London Branch has, by the Programme Deed, been appointed as principal paying agent and custodian in respect of the Certificates.

The Bank of New York Mellon SA/NV, Dublin Branch has, by the Programme Deed, been appointed as paying agent, registrar and transfer agent in respect of the Certificates. The Bank of New York Mellon SA/NV is a Belgian limited liability company established 30 September 2008 under the form of a Société Anonyme/Naamloze Vennootschap. It was granted its banking license by the former Banking, Finance and Insurance Commission on 10 March 2009. It has its headquarters and main establishment at 46 rue Montoyerstraat, 1000 Bruxelles/Brussel. The Bank of New York Mellon SA/NV is a subsidiary of The Bank of New York Mellon, the main banking subsidiary of The Bank of New York Mellon Corporation. It is under the prudential supervision of the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority in respect of conduct of business. The Bank of New York Mellon SA/NV engages in asset servicing, global collateral management, global markets, corporate trust and depositary receipts services. The Bank of New York Mellon SA/NV operates from locations in Belgium, the Netherlands, Germany, London, Luxembourg, Paris and Dublin.

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is 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 situated at 240 Greenwich Street, New York, NY 10286, United States and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at 160 Queen Victoria Street, London EC4V 4LA.

The Bank of New York Mellon's corporate trust business services a substantial amount of outstanding debt obligations from numerous locations around the world. It services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralised debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in multiple countries. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team.

The information contained in this section relates to and has been obtained from The Bank of New York Mellon. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of The Bank of New York Mellon since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

The Bank of New York Mellon accepts responsibility for the information contained in this section. None of the Dealer, the Arranger, the Trustee or the Counterparty has verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the Certificates or entering into other Obligations should make their own independent investigations and enquiries into The Bank of New York Mellon.

## DESCRIPTION OF THE COMPANY

### DEFENSIVE CERTIFICATES PLC

#### History and Development of the Company

##### *General*

The Company was incorporated in Ireland as a public limited company on 5 January 2024 with registered number 755154 under the name FAM Certificates PLC, under the Companies Act 2014 and subsequently changed its name to Defensive Certificates PLC pursuant to a special resolution dated 25 January 2024.

The Company's registered office is situated at Block A, George's Quay Plaza, George's Quay, Dublin 2, Ireland and the telephone number of the Company is +353 1 9631030.

The authorised share capital of the Company is EUR 1,000,000 divided into 1,000,000 ordinary shares of EUR 1 each (each an "**Ordinary Share**"). The Company has issued 25,000 Ordinary Shares and EUR 0.25 in respect of each of these Ordinary Shares has been paid.

The issued Ordinary Share is held directly or indirectly by Vistra Trust Services (Ireland) Limited (the "**Share Trustee**") under the terms of a declaration of trust under which the Share Trustee holds the issued Ordinary Share of the Company on trust for charity.

The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from its holding of the shares in the Company. The Share Trustee will apply any income derived by it from the Company in its capacity as Share Trustee solely for charitable purposes.

The registered office of the Share Trustee is Block A, George's Quay Plaza, George's Quay, Dublin 2, Ireland.

The Company's Legal Entity Identifier is 213800Q95DBAH8J68917.

#### **Business Overview**

Pursuant to the Programme Deed, the Company covenants, not to engage in any activities (except with the prior consent in writing of the Trustee) other than the issuance of the Certificates, the acquisition and ownership of Mortgaged Property, the entry into or amendment of agreements (including the Swap Agreement) relating to the Certificates, the performance of its obligations or enforcement of any of its rights under the foregoing, certain other related activities and the performance of other acts incidental to or necessary in connection with such activities. The Company is prohibited from paying dividends or making any other distribution to its shareholders in excess of U.S.\$1,000 in aggregate per year and is prohibited from issuing or entering into any Certificates or other Obligations where such issue or entry into would adversely affect any then existing rating of any outstanding obligations of the Company.

The Company has, and will have, no assets that are not Mortgaged Property in respect of the Certificates, other than the sum of EUR 6,250 representing the proceeds of its issued and paid-up share capital and such fees (as agreed) payable to it in connection with (a) the issue of the Certificates and/or (b) the purchase, sale or entry into of Mortgaged Property, any other assets on which Certificates are secured and/or any other obligations. Save for in respect of such fees, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the proceeds of the Company's issued and paid-up share capital, the Company will not accumulate any surpluses.

The Company's obligations under the Certificates are obligations of the Company alone and not of, or guaranteed in any way by, the Share Trustee or the Trustee. Furthermore, they are not obligations of, or

guaranteed in any way by, Vistra Alternative Investments (Ireland) Limited, Vistra Trust Services (Ireland) Limited, J.P. Morgan Securities plc, J.P. Morgan AG or any Counterparty, Dealer, Agent or Custodian.

The only assets of the Company available to meet the claims of the holders of or counterparties to Certificates or other Obligations will be the assets which comprise the Mortgaged Property for the Certificates, as described under Condition 4(g).

## **Administrative, Management and Supervisory Bodies**

### ***Administration***

Vistra Alternative Investments (Ireland) Limited (in such capacity, the “**Administrator**”) provides administration services to the Company pursuant to the terms of an administration agreement dated 29 February 2024, made between the Company and Vistra Alternative Investments (Ireland) Limited (the “**Administration Agreement**”). The Administrator’s duties include the provision of certain administrative, accounting and related services. The Company (or, as the case may be, the Administrator) may terminate the Administrator’s appointment forthwith upon written notice if the Administrator (or, as the case may be, the Company) is subject to certain insolvency events as set out in the Administration Agreement. The Administrator may also terminate its appointment upon 90 days’ written notice subject to the appointment of a substitute administrator acceptable to the Company on terms substantially the same as the terms of the Administration Agreement, such appointment to be effective not later than the date of termination.

The business address of the Administrator is Block A, George’s Quay Plaza, George’s Quay, Dublin 2, Ireland.

The other significant business of the Administrator is the administration and management of other special purpose companies.

### ***Directors of the Company***

<b>Name</b>	<b>Principal Occupation Outside the Company</b>
Eimir McGrath	Company Director
Stephen McCormack	Company Director

The Company, acting on its own and without input or influence from the Dealer, any service providers, the Trustee or any other person, has selected the directors listed above.

The business address of each of the directors of the Company is Block A, George’s Quay Plaza, George’s Quay, Dublin 2, Ireland.

### ***Company Secretary***

The Secretary of the Company is Vistra Alternative Investments (Ireland) Limited of Block A, George’s Quay Plaza, George’s Quay, Dublin 2, Ireland.

## **Financial Information and Auditors**

### ***Financial Statements***

The Company is required by Irish law to publish audited accounts. The Company will publish its first audited financial statements in respect of the period from the date of its incorporation until 31 December 2024. Such audited accounts, when published, will be available in physical or electronic form for inspection by holders of the Certificates during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the registered office of the Company. The Company will not prepare interim financial statements.

As at the date of this Prospectus, no audited financial statements of the Company have been prepared and published.

The Company is required to and will provide the Trustee with written confirmation, on an annual basis, that no Event of Default or Potential Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred or, if one has, specifying the same.

***Legal and Arbitration Proceedings***

The Company is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since during the 12-month period before the date of this Prospectus which may have or has had in the recent past, significant effects on the financial position or profitability of the Company.

***No Significant Change in the Company's Financial or Trading Position***

Save as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Company, and no material adverse change in the financial position or prospects of the Company since the date of its incorporation. As at the date of this Prospectus, the Company has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities, other than as disclosed elsewhere in this Prospectus.

***Auditors***

It is expected that the auditors of the Company will be appointed before the financial year ended 31 December 2024.



## IRISH COMPANY TAXATION

*The following is a summary of certain Irish tax consequences of the purchase, ownership and disposition of the Certificates. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Certificates. The summary relates only to the position of persons who are the absolute beneficial owners of the Certificates and may not apply to certain other classes of persons such as dealers in securities.*

*The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Prospectus, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Certificates should consult their own advisers as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Certificates including, in particular, the effect of any state or local tax laws.*

### Income Tax

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

A Certificate issued by the Company may be regarded as property situate in Ireland (and hence Irish source income) on the grounds that a debt is deemed to be situate where the debtor resides. However, the interest earned on the Certificates is exempt from income tax if paid to a person who is not a resident of Ireland and who for the purposes of Section 198 of the Taxes Consolidation Act 1997 (as amended) ("**TCA 1997**") is regarded as being a resident of a relevant territory. A relevant territory for this purpose is a Member State of the European Communities (other than Ireland) or not being such a Member State a territory with which Ireland has entered into a double tax treaty that has the force of law or, on completion of the necessary procedures, will have the force of law and such double tax treaty contains an article dealing with interest or income from debt claims. A list of the countries with which Ireland has entered into a double tax treaty is available on [www.revenue.ie](http://www.revenue.ie).

Relief from Irish income tax may also be available under other exemptions contained in Irish tax legislation or under the specific provisions of a double tax treaty between Ireland and the country of residence of the holder of the Certificates.

If the above exemptions do not apply it is understood that there is a long standing unpublished practice whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

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

There can be no assurance that this practice will continue to apply.

## Withholding Taxes

In general, withholding tax (currently at the rate of 20 per cent.) must be deducted from interest payments made by an Irish company. However, Section 246 TCA 1997 ("**Section 246**") provides that this general obligation to withhold tax does not apply in respect of, *inter alia*, interest payments made by the Company to a person, who by virtue of the law of the relevant territory, is resident for the purposes of tax in a relevant territory (see above for details). This exemption does not apply if the interest is paid to a company in connection with a trade or business which is carried on in Ireland by the company through a branch or agency.

Apart from Section 246, Section 64 TCA 1997 ("**Section 64**") provides for the payment of interest on a "quoted Eurobond" without deduction of tax in certain circumstances. A quoted Eurobond is defined in Section 64 as a security which:

- (i) is issued by a company;
- (ii) is quoted on a recognised stock exchange (this term is not defined but is understood to mean an exchange which is recognised in the country in which it is established, such as Euronext Dublin); and
- (iii) carries a right to interest.

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

- (a) the person by or through whom the payment is made is not in Ireland; or
- (b) the payment is made by or through a person in Ireland; and
  - (i) the quoted Eurobond is held in a recognised clearing system (Euroclear, Clearstream Banking SA, Clearstream Banking AG and the Depository Trust Company of New York have, amongst others, been designated as recognised clearing systems); or
  - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate written declaration to this effect.

Ireland has introduced new legislation which will apply from 1 April 2024 which extends Ireland's withholding tax rules to interest payable by an Irish taxpayer to an 'associated' entity which is established in certain 'blacklisted', 'no-tax' or 'zero-tax' jurisdictions which are on the EU list of non-cooperative jurisdictions, subject to certain exemptions. Irish withholding tax is extended to apply to 'quoted Eurobonds' which are held by 'associated' entities. Assuming the Certificateholders are not 'associated' entities, the Certificateholders should not be subject to withholding tax under these new rules.

In certain circumstances, Irish encashment tax may be required to be withheld (currently at the rate of 25 per cent.) from interest on any Certificate, where such interest is collected by a person in Ireland on behalf of any holder of Certificates.

## Capital Gains Tax

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

## **Capital Acquisitions Tax**

If the Certificates are comprised in a gift or inheritance taken from an Irish domiciled, resident or ordinarily resident disponent or if the donee/successor is resident or ordinarily resident in Ireland, or if any of the Certificates are regarded as property situate in Ireland, the donee/successor may be liable to Irish capital acquisitions tax. As a result, a donee/successor may be liable to Irish capital acquisitions tax, even though neither the disponent nor the donee/successor may be domiciled, resident or ordinarily resident in Ireland at the relevant time.

## **Stamp Duty**

For as long as the Company is a qualifying company within the meaning of Section 110 TCA 1997, no Irish stamp duty will be payable on either the issue or transfer of the Certificates, provided that the money raised by the issue of the Certificates is used in the course of the Company's business.

## **Consolidated financial statements**

By purchasing any Certificates, the Certificateholder agrees to notify the Company if it: (i) does not prepare financial statements under an Acceptable Financial Accounting Standard; (ii) will consolidate the Company in consolidated financial statements prepared under international accounting standards, Irish generally accepted accounting practice or any other Acceptable Financial Accounting Standard; or (iii) would consolidate the Company if any such financial statements were prepared under international accounting standards; and, in either case of (ii) or (iii) the Company is not excluded from such consolidated financial statements solely based on its small size, on the grounds of materiality, or on the grounds that it is held for sale. For the purposes hereof, "**Acceptable Financial Accounting Standard**" means International Financial Reporting Standards (as adopted by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards) and the generally accepted accounting principles of Australia, Brazil, Canada, an EU Member State, an EEA state, Hong-Kong (China), Japan, Mexico, New-Zealand, the People's Republic of China, the Republic of India, the Republic of Korea, Russia, Singapore, Switzerland, the United Kingdom and the United States of America.

## THE SWAP AGREEMENT

*Capitalised terms used in this section have the meanings given to them in the Swap Agreement unless otherwise defined in this Prospectus.*

### General

The Counterparty shall be JPMSE.

The Swap Agreement will be documented by a confirmation entered into pursuant to the Master Swap Agreement. The Master Swap Agreement incorporates the terms of the 1992 ISDA Master Agreement (Multicurrency – Cross Border) as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.) (“**ISDA**”) (but amended to reflect the provisions described below). The confirmation incorporates the 2006 ISDA Definitions and will set out the payment provisions described below.

The Company and the relevant Counterparty, by execution of the Confirmation in respect of the Swap Transaction relating to the Certificates, will be deemed to enter into a credit support annex under the Master Swap Agreement in the form of the ISDA 2016 Credit Support Annex for Variation Margin (VM) Copyright © 2016 by the International Swaps and Derivatives Association, Inc. but which relates only to such Series (the “**Credit Support Annex**”) (subject to the elections and variables agreed between them). The Credit Support Annex will form part of the Swap Agreement.

The Swap Agreement, and any non-contractual obligations arising out of or in connection with it, will be governed by the laws of England.

Except as provided in the Trust Deed, the terms of the Swap Agreement may not be amended without the consent of the Trustee. The Trustee can agree, without the consent of the Certificateholders or the holders of Coupons, Receipts and Talons, to any modification of the Swap Agreement which is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error.

Set out below are summaries of certain provisions of the Swap Agreement. Such summaries are qualified in their entirety by the terms of the Swap Agreement.

### Payments

The Swap Agreement sets out certain payments to be made from the Company to the Counterparty and *vice versa*.

Under the Swap Agreement, the Company will make an initial payment to the Counterparty funded from a portion of the proceeds of issue of the Certificates. In return, the Counterparty shall pay the Company amounts equal to (i) the aggregate Interest Amounts that are payable by the Company (if any) in respect of the Certificates on each Specified Interest Payment Date and (ii) for expenses incurred by the Company in connection with the Certificates, including Agent’s fees and expenses.

The payment of interest amounts by the Company in respect of any Interest Accrual Period is conditional on the performance of the Worst Performing Reference Share. If the value of the Worst Performing Reference Share, determined by dividing the closing price of such Reference Share on the relevant Valuation Date by the initial price of such Reference Share on the Initial Valuation Date, is less than the Barrier Level, investors will not receive any interest payment in respect of such Interest Accrual Period. Under the Swap Agreement, the Counterparty will be obliged to pay the Company amounts equal to the aggregate Interest Amounts that are payable by the Company (if any) in respect of the Certificates in respect of any Interest Accrual Period. The payments required by the Counterparty under the Swap Agreement are designed to ensure that following the making of such payments the Company will have

such funds, as are necessary to make payments of any Interest Amounts due in respect of the related Certificates.

The Company agrees that the Swap Agreement and any confirmation relating to a Swap Transaction under the Swap Agreement shall be amended (and the Company represents and agrees that such amendment may be made without the prior consent of the Trustee) where such amendment is made solely for the purpose of matching a party's obligations under the Swap Agreement to the payments required to be made under the Certificates or scheduled to be made under the Underlying Fund Shares, subject, if the Certificates are subsequently rated at the request of the Company, to Rating Agency Affirmation.

## Events of Default

The Swap Agreement provides for certain “**Events of Default**” relating to the Company and the Counterparty, the occurrence of which may lead to a termination of the Swap Agreement.

The “**Events of Default**” (as defined in the Swap Agreement) which relate to the Company are limited to:

- (i) failure by the Company to make, when due, any payment or delivery under the Swap Agreement required to be made by it if not remedied within the time period specified therein;
- (ii) any event specified under (a) to (d) below, if (where capable of remedy) such event continues unremedied for a period of 45 days after notice of such event is given to the Company or (if earlier) until a day which falls 14 days before any payment date in respect of the Charged Assets:
  - (a) except where the Conditions expressly provide, the Company exercising any rights or taking any action in its capacity as holder of the Underlying Fund Shares without having been directed to do so by the Trustee or by an Extraordinary Resolution of the Certificateholders (or acting otherwise than in accordance with any such direction) and, if such exercise is in the reasonable opinion of the Counterparty likely to affect the value of the Underlying Fund Shares, the Certificates or the Swap Agreement, without the prior written consent of the Counterparty;
  - (b) except where there is an Event of Default relating to the Counterparty or certain Termination Events relating to the Counterparty, the Company permitting any amendment to be made to the Custody Agreement or any other agreement relating to the Charged Assets or agreeing to dispose of or alter the composition of the Charged Assets except in accordance with the provisions of the Certificates or the Company terminating the appointment of the Custodian otherwise than in accordance with the provisions of the Custody Agreement, in each case without the Counterparty's consent where required;
  - (c) failure by the Company to act in accordance with the instructions of the Trustee in relation to the Swap Agreement, or the Company designating an “**Early Termination Date**” (as defined in the Swap Agreement) under the Swap Agreement without the prior written consent of the Trustee (except in the case of an Illegality (as defined below) or where deemed to do so in connection with an early redemption of the Certificates); or
  - (d) failure to make such declarations and reports, or to execute such certificates, forms or other documents as are necessary (other than under FATCA) in order to make a claim under a double taxation treaty or other exemption available to it in order to receive payments in full in respect of the Charged Assets (provided that it shall only be required to take such actions where such filing or execution or reporting will not involve any material expense and is not unduly onerous, or such reporting requirement does not involve any material expense and is not unduly onerous);
- (iii) failure by the Company to comply with any of its undertakings set out in the Swap Agreement; and

(iv) certain bankruptcy events relating to the Company.

The “**Events of Default**” (as defined in the Swap Agreement) which relate to the Counterparty are limited to:

- (i) failure by the Counterparty to make, when due, any payment or delivery under the Swap Agreement required to be made by it if not remedied within the time period specified therein;
- (ii) failure by the Counterparty to comply with any of its undertakings set out in a confirmation entered into under the Swap Agreement;
- (iii) certain merger without assumption events with respect to the Counterparty; and
- (iv) certain bankruptcy events relating to the Counterparty.

The bankruptcy events referred to above with respect to the Company or the Counterparty include, the relevant party (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Where there is an Event of Default in respect of the Counterparty, the calculation agent under the Swap Agreement will be the Calculation Agent in respect of the Certificates.

Upon the occurrence of an Event of Default under the Swap Agreement, the non-defaulting party may terminate the Swap Transactions under the Swap Agreement, although the Company may only do so if it is acting on the instructions of the Trustee.

In addition, where the Counterparty is the defaulting party, in the case of the Event of Default in respect of the Counterparty described in (iv) above, where the Company has not within 30 calendar days of the occurrence of such Event of Default exercised its right to terminate the Swap Transaction in connection therewith, the Counterparty may, in accordance with the other provisions of the Swap Agreement, designate a day as an Early Termination Date in respect of the outstanding Swap Transaction.

Any Termination Payment (as defined below) in respect of an Event of Default will generally be due on the Early Redemption Date determined in accordance with the Conditions.

## Termination Events

The Swap Agreement provides for certain “**Termination Events**” the occurrence of any of which may lead to termination of the Swap Transactions under the Swap Agreement. The Company may only terminate such Swap Transaction if it is acting on the instructions of the Trustee (except in the case of an Illegality (as defined below)) or on the basis of a deemed notice of termination if the related event under the Conditions results in the Certificates being declared due and repayable in accordance with Condition 13 or being due to redeem in accordance with Condition 10(c), Condition 10(d) or Condition 10(e).

Any Termination Payment (as defined below) in respect of a Termination Event will generally be due on the Early Redemption Date determined in accordance with the Conditions save for where such termination was triggered after the Maturity Date of the Certificates, in which instance the Termination Payment will generally be due on the Post-Maturity Initial Application Date.

### *Illegality*

A Termination Event is triggered where, due to an event or circumstance, it becomes unlawful, or would be unlawful under any applicable law: for a party to perform any obligation to make, or receive, a payment or delivery with respect to the Swap Agreement or to comply with any other material provision of the Swap Agreement or any such payment, delivery, receipt of payment or delivery or compliance would require or result in any affiliate of such party being in violation of applicable law or regulation (an “**Illegality**”).

Upon notice being given of the occurrence of any such Illegality under the Swap Agreement, the Swap Agreement generally requires the Affected Party (as defined in the Swap Agreement) to use all reasonable efforts to transfer the Swap Agreement within 20 days to another one of its offices or any Affiliate of JPMSE (in the case only where the Counterparty is the Affected Party) or to another entity provided that such Affiliate or any credit support provider thereto has a rating not less than the relevant transferor (in the case only where the Company is the Affected Party), in each case subject to the prior written consent of the other party and the Trustee, so that such Illegality ceases to exist, although there is no assurance that such transfer can be made to cure such Illegality. If such transfer cannot be effected within 20 days, the relevant party will give notice to the other party, which may then effect a transfer within 30 days of the original notification of the Illegality. Where the Company and the Counterparty are each Affected Parties, the Swap Agreement generally requires the parties to use all reasonable efforts to reach an agreement within 30 days of the original notification of the Illegality on action to avoid such Illegality. If such transfer by either party or such action, as the case may be, cannot be effected within such 30-day period so that such Illegality ceases to exist, the Counterparty or the Company may elect to terminate the Swap Transaction under the Swap Agreement. In any event, any transfer to avoid a Termination Event or any other action to avoid a Termination Event shall be subject, if the Certificates are subsequently rated at the request of the Company, to Rating Agency Affirmation.

### *Tax Event and Tax Event upon Merger*

If payments by the Counterparty are subject to withholding under any applicable law in respect of any Indemnifiable Tax (which term is defined in the Swap Agreement to exclude any tax which would not be imposed but for a connection between the relevant party and the jurisdiction of taxation, any tax imposed on a “dividend equivalent” payment as defined in Section 871(m) of the U.S. Internal Revenue Code, and any tax withheld on account of FATCA), the Counterparty generally is obliged to gross up its payment obligations such that the net amount actually received by the Company would equal the full amount the Company would have received in the absence of such withholding. If payments by the Company are subject to withholding under any applicable law in respect of any Indemnifiable Tax, the Counterparty is obliged to accept payments from the Company net of the relevant withholding. In either case, any such withholding or, in respect of the Counterparty, any requirement that the Counterparty pay any U.S. insurance excise tax with respect to any payment under the Swap Agreement may trigger a tax event or (in respect of the Counterparty) a tax event upon merger, depending on the reasons for such withholding

or excise tax arising in respect of payments under the Swap Agreement. Similar transfer provisions as set out above generally apply in relation to these Termination Events except that only the Counterparty may elect to terminate all outstanding Swap Transactions under the Swap Agreement and may do so prior to the end of the 30-day period. The Termination Payment payable by the Company or the Counterparty will be calculated in the manner summarised below under "Termination Payments", except that, if the Counterparty is terminating because the payments by it are subject to withholding, it will be required to gross up any Termination Payment payable by it if such Termination Payment is also subject to withholding.

#### *Event of Default under the Certificates*

This Termination Event occurs if an Event of Default under Condition 13 of the Certificates occurs. If this Termination Event occurs, either the Company or the Counterparty may elect to terminate all outstanding Swap Transactions under the Swap Agreement, although the Company may only do so if it is acting on the instructions of the Trustee (except where deemed to do so in connection with an early redemption of the Certificates).

#### *Charged Assets Redemption Event; Charged Assets Tax Event*

This Termination Event occurs if a Charged Assets Redemption Event or a Charged Assets Tax Event (each as defined in Condition 25) occurs in respect of the Certificates.

If this Termination Event occurs, either the Company or the Counterparty may elect to terminate all outstanding Swap Transactions under the Swap Agreement, although the Company may only do so if it is acting on the instructions of the Trustee (except where deemed to do so in connection with an early redemption of the Certificates).

#### *Termination for certain taxation reasons*

This Termination Event occurs if the Company is, or satisfies the Trustee on reasonable grounds that it will be, subject to any law, regulation, regulatory requirement or double taxation convention or the interpretation of application thereof to a tax charge (whether by direct assessment or by withholding at source) or other governmental imposition by any jurisdiction which would materially increase the cost to it of complying with its obligations under the Trust Deed or under the Certificates or materially increase the operating or administrative expenses of the Company or the arrangements under which the shares in the Company are held or otherwise oblige the Company or the Trustee to make any payment on, or calculated by reference to, the amount of any sum received or receivable by the Company or the Trustee or by the Trustee on behalf of the Company as contemplated in the Trust Deed (and such increased cost, increased operating or administrative expense or payment, as the case may be, is beyond the control of the Company or the Calculation Agent) other than where such tax charge or other governmental imposition arises as a result of any FATCA Withholding or Section 871(m) of the U.S. Internal Revenue Code, provided that, in the circumstances set out in Condition 10(c) (and as referred to in the Swap Agreement) it must also be unable to change its place of residence or substitute the principal debtor and be required to redeem the Certificates in accordance with the Conditions. If this Termination Event occurs, either the Company or the Counterparty may elect to terminate the Swap Transaction under the Swap Agreement, although the Company may only do so if it is acting on the instructions of the Trustee (except where deemed to do so in connection with an early redemption of the Certificates).

#### *Withholding on account of FATCA*

This Termination Event occurs if the Counterparty or the Company will, or there is a substantial likelihood that it will, in respect of any payment due from it to the other party, be required to make any deduction or withholding imposed pursuant to (a) an Information Reporting Regime or (b) Sections 871 and 881 of the Code or under any amended or successor provision of the Code, or under United States Treasury regulations or other guidance issued thereunder. If, on the date falling 60 days prior to the immediately following date on which a payment will be due from the Counterparty to the Company under the Swap Agreement (such date falling 60 days prior being the "**Swap FATCA Test Date**"), the Company is a



“nonparticipating foreign financial institution” or “nonparticipating FFI” (as such terms are used under section 1471 of the Code or in any regulations or guidance thereunder), or has a comparable status under an applicable IGA, there will on the Swap FATCA Test Date be deemed to be a substantial likelihood that the Counterparty will be required to make a FATCA Withholding and, therefore this Termination Event will have occurred on the Swap FATCA Test Date. If this Termination Event occurs, the Counterparty shall be entitled to designate an Early Termination Date in respect of all Transactions. The Company shall not be under any obligation to become a “participating FFI” as defined in FATCA.

#### *Regulatory Event*

This Termination Event occurs if the Counterparty determines in its sole discretion that, due to a Relevant Law:

- (a) the Swap Transaction under the Swap Agreement: (i) is required to be cleared through a central clearing counterparty (a “**CCP**”) and such requirement was not applicable as at the trade date of such Swap Transaction; or (ii) causes the Counterparty and/or the Company to become the subject of risk mitigation provisions as a result of not being cleared through a CCP, which risk mitigation provisions were not applicable as at the trade date, and which risk mitigation provisions include (without limitation) (A) the imposition on either the Counterparty or the Company of increased capital charges above those (if any) that prevailed at the trade date (as certified by the Counterparty or the Company, as relevant) and/or (B) the requirement for the Counterparty and/or the Company to provide collateral or any form of initial or variation margin to the other in respect of such Swap Transaction in addition to that (if any) contemplated and documented in respect of such Swap Transaction on its trade date; or (iii) results, or would result, in the Counterparty or the Company being subject to any administrative or regulatory penalty or sanctions for any failure to comply with any clearing obligation or risk mitigation provisions that were not applicable as at the trade date; or (iv) results, or would result, in a Swap Transaction under the Swap Agreement (x) being required to be maintained through a different legal entity than the Counterparty or the Company or (y) not being capable of being maintained through the Company or the Counterparty, as the case may be, without the Company or the Counterparty, as applicable, being required to take further action; or (v) results in the Counterparty or the Company becoming subject to a financial transaction tax or other similar tax; or
- (b) the Counterparty or the Company is or will be materially and adversely restricted in its ability to perform its obligations under an outstanding Swap Transaction relating to the Certificates (such determination to be made by the Counterparty in its sole discretion) or, without limiting paragraph (a)(ii) above, would be required to post additional collateral to any person (each such determination to be made by the Counterparty in good faith and in a commercially reasonable manner and which may take into account, without limitation, the imposition of increased costs or compliance burdens on either party); or
- (c) the Counterparty or the Company, or any affiliate, directors, officers or employee thereof would be an “AIFM” or an “AIF” for the purposes of the AIFMD or any similar concept under comparable legislation in the United Kingdom with respect to the Company by virtue (wholly or partially) of their involvement with the Certificates and/or the Swap Agreement.

For this purpose, “**Relevant Law**” means:

- (A) the Dodd-Frank Act, the Bank Holding Company Act of 1956 and the Federal Reserve Act of 1913 (or similar legislation in other jurisdictions) and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;

- (B) Regulation 648/2012 of the European Parliament and of the Council on 4 July 2012 on OTC Derivatives, central counterparties and trade repositories and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (C) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (D) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (E) Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto (together, the “**AIFMD**”);
- (F) the implementation or adoption of, or any change in, any applicable law, regulation, rule, guideline, standard or guidance after the Trade Date, and with applicable law, regulation, rule, guideline, standard or guidance for this purpose meaning any similar, related or analogous law, regulation, rule, guideline, standard or guidance to those in paragraphs (A) to (E) above or any law or regulation that imposes a financial transaction tax or other similar tax;
- (G) any arrangements or understandings that the Counterparty or any of its Affiliates may have made or entered into with any regulatory agency with respect to its or any of their legal entity structure or location with regard to (I) any of paragraphs (A) to (F) above or (II) the United Kingdom’s prospective or actual departure from the E.U.; and/or
- (H) any change in any of the laws, regulations, rules, guidelines, standards or guidance referred to in (A) to (F) above or change in the same as a result of the promulgations of, or any change in, interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation after the trade date or as a result of the public or private statement or action by, or response of, any court, tribunal or regulatory authority with competent jurisdiction or any official or representative of any such court, tribunal or regulatory authority acting in an official capacity with respect thereto,

where paragraphs (B) to (E) above shall in each case also include any similar concept under comparable legislation in the United Kingdom.

If this Termination Event occurs, the Counterparty may elect to terminate the Swap Transaction under the Swap Agreement.

*Redenomination Event*

This Termination Event occurs if, due to the adoption of, or any change in, any applicable law or regulation, a payment obligation under the Swap Agreement that would otherwise have been denominated in euro ceases to be denominated in euro or it would be unlawful, impossible or impracticable for the payer to pay, or the payee to receive those payments in euro (including if precluded by exchange controls or other similar restrictions on payment or receipt of such amounts).

If this Termination Event occurs, the Counterparty may elect to terminate the Swap Transaction under the Swap Agreement.

#### *Amendments to the Conditions or Transaction Documents*

This Termination Event occurs if any amendment is made to the Conditions and/or a Transaction Document which adjusts the amount, timing or priority of any payments or deliveries due between the Company and the Counterparty under the Certificates and/or the Transaction Documents, unless the Counterparty has consented in writing to such amendment.

If this Termination Event occurs, the Counterparty may elect to terminate the Swap Transaction under the Swap Agreement.

### **Termination Payments**

On the Swap Termination Payment Date in respect of the Swap Transaction under the Swap Agreement, a termination payment (the “**Termination Payment**”) will be payable by the Company to the Counterparty, or (as the case may be) by the Counterparty to the Company in respect of the Swap Agreement. In such circumstances, interest will generally be payable on the Termination Payment in respect of any delay in payment at the applicable rate set out in the Swap Agreement. The Swap Termination Payment Date will generally be the Early Termination Date.

The Termination Payment in respect of the Swap Agreement will be the Close-out Amount (as defined in the Swap Agreement) plus or minus the Termination Currency Equivalents of any Unpaid Amounts (both as defined in the Swap Agreement) in respect of the Swap Transaction, subject to certain rights of set-off.

Unless otherwise provided in the Swap Agreement, the Close-out Amount in respect of the Swap Transaction will be the amount of the losses or costs of the determining party that are or would be incurred on the Early Termination Date under then prevailing circumstances (expressed as a positive number) or gains of the determining party that are or would be realised under then prevailing circumstances (expressed as a negative number) in replacing on the Early Termination Date, or in providing for the determining party on the Early Termination Date the economic equivalent of, (a) the material terms of the Swap Transaction, including any payments or deliveries that would, but for the early termination, have been required under the terms of the Swap Transaction (assuming satisfaction of each applicable condition precedent), but without regard to (i) any actual or potential (whether or not foreseeable at the date of determination) imposition of withholding taxes on payments under the Swap Agreement and (ii) the occurrence, past or future of any Event of Default or Termination Event (whether or not such event is foreseeable at the date of determination) and (b) the option rights of the parties in respect of the Swap Transaction.

Any Close-out Amount will be determined by the determining party (or its agent), which will act in good faith and use commercially reasonable procedures in order to produce a commercially reasonable result. The determining party may determine a Close-out Amount for the Swap Transaction. Each Close-out Amount will be determined on or about the relevant valuation date (or, if that would not be commercially reasonable, on or about the date or dates following the relevant valuation date as would be commercially reasonable) for close-out of the Swap Transaction(s) with effect from the Early Termination Date (or, if later, after the Determining Party has notice of the same, for close-out of the Swap Transaction(s) with effect from the Early Termination Date).

Unpaid Amounts in respect of a Swap Transaction and certain legal fees and out-of-pocket expenses that are indemnified by the defaulting party are excluded in all determinations of Close-out Amounts.

In determining a Close-out Amount, the determining party may consider any relevant information, including, without limitation, one or more of the following types of information:

- (i) quotations (either firm or indicative) for replacement transactions supplied by one or more third parties that may take into account the creditworthiness of the determining party at the time the quotation is provided and the terms of any relevant documentation, including credit support documentation, between the determining party and the third party providing the quotation;
- (ii) information consisting of relevant market data in the relevant market supplied by one or more third parties including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market; or
- (iii) information of the types described in paragraph (i) or (ii) above from internal sources (including, if the determining party is the Counterparty, any of the Counterparty's Affiliates) if that information is of the same type used by the determining party in the regular course of its, or any of its Affiliates', business for the valuation of similar transactions.

The determining party will consider, taking into account the standards and procedures described in this section, quotations pursuant to paragraph (i) above or relevant market data pursuant to paragraph (ii) above unless the determining party reasonably believes in good faith that such quotations or relevant market data are not readily available or would produce a result that would not satisfy those standards. When considering information described in paragraph (i), (ii) or (iii) above, the determining party may include costs of funding, to the extent costs of funding are not and would not be a component of the other information being utilised. Third parties supplying quotations pursuant to paragraph (i) above or market data pursuant to paragraph (ii) above may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers and other sources of market information.

The determining party shall not consider in calculating a Close-out Amount any loss or cost incurred in connection with its terminating, liquidating or re-establishing any hedge related to the Swap Transaction (or any gain resulting from it).

Commercially reasonable procedures used in determining a Close-out Amount may include the following:

- (1) application to relevant market data from third parties pursuant to paragraph (ii) above or information from internal sources pursuant to paragraph (iii) above of pricing or other valuation models that are, at the time of the determination of the Close-out Amount, used by the determining party, or by any of its Affiliates, in the regular course of its business in pricing or valuing transactions between the determining party and unrelated third parties that are similar to the Swap Transaction; and
- (2) application of different valuation methods to Swap Transactions depending on the type, complexity, size or number of the Swap Transaction.

For the purpose of determining the amount of any loss or cost of the Company, no account shall be taken of, to the extent relevant:

- (a) limited recourse provisions contained in the Trust Deed which reduce or limit the amounts payable by the Company to, or recoverable by, any other person; or
- (b) any term of the Conditions which would economically result in such loss or cost being borne by Certificateholders and not by the Company.

The Termination Currency in respect of a Swap Agreement will be the currency in which the relevant Series to which such Swap Agreement relates is denominated.

Unpaid Amounts payable by the Company will be deemed to include amounts unpaid by the Company as a result of the imposition of taxes on payments in respect of the Underlying Fund Shares or a default in respect of the Underlying Fund Shares but will not include any amounts unpaid by the Company as a result of the imposition of Indemnifiable Taxes in respect of payments by the Company under the Swap Agreement (if any).

The determining party will generally be the Counterparty unless the Counterparty is the defaulting party, in which case the determining party will be the Calculation Agent on behalf of the Company.

## **Credit Support Annex**

The Company will also enter into a Credit Support Annex with the Counterparty in respect of the Certificates. As “Applicable – Payable by Counterparty” is specified in the applicable Pricing Conditions, credit support will be provided by the Counterparty to the Company (but not from the Company to the Counterparty). The Credit Support Annex shall form part of the Master Swap Agreement but shall relate solely to the Certificates.

The Credit Support Annex will be in the form of the ISDA 2016 Credit Support Annex for Variation Margin (VM) (Bilateral Form - Transfer) (ISDA Agreements Subject to English Law) Copyright © 2016 by the International Swaps and Derivatives Association, Inc., subject to certain amendments. The sections below provide a summary of the provisions of the Credit Support Annex and of certain terms used in the Credit Support Annex, but do not necessarily set out such terms in full.

### *Delivery and Return of Credit Support*

Under the Credit Support Annex, a party required to provide credit support is known as a “**Transferor**” and the recipient of such credit support is known as the “**Transferee**”.

A Transferor will be required to transfer credit support if its Delivery Amount (VM) for the relevant Valuation Date exceeds what is known as the Minimum Transfer Amount of the Transferor. Credit support will be transferred on a title transfer basis.

A Delivery Amount (VM) arises if the Exposure of the Transferee to the Transferor under the Swap Agreement exceeds the value at that time of the credit support then provided by the Transferor (known as the Transferor’s “**Credit Support Balance (VM)**”), but with the Transferor’s Credit Support Balance (VM) being adjusted to take account of any credit support that is in the process of being transferred (by either party) as if it had been transferred. The “**Delivery Amount (VM)**” will be equal to such Exposure minus the value of such credit support.

If the Delivery Amount (VM) does exceed the Transferor’s Minimum Transfer Amount, the Transferor can then be required to transfer “**Eligible Credit Support (VM)**” having a Value equal to the Delivery Amount (VM).

The credit support comprising Eligible Credit Support (VM) is as specified in the applicable Pricing Conditions. Eligible Credit Support (VM) will typically comprise cash in an “**Eligible Currency**” and may also comprise specified securities. For the purposes of determining how much Eligible Credit Support (VM) is required to be provided as credit support, each item of credit support is given a Value (see “*Value and Exposure*” below).

Once a Transferor has provided credit support, it may be entitled to receive assets of the same type back from the Transferee if the parties’ exposure to one another under the Swap Agreement, or the Value of the credit support, changes. The amount a Transferor is entitled to receive back is known as a Return Amount (VM).

A Return Amount (VM) arises if the Value of the credit support comprised in the Transferor’s Credit Support Balance (VM) (again adjusted to take account of any credit support that is in the process of being transferred (by either party) as if it had been transferred) exceeds the exposure of the Transferee to the Transferor under the Swap Agreement. The “**Return Amount (VM)**” will be equal to such Credit Support Balance (VM) minus such Exposure.

If the Return Amount (VM) for a Valuation Date exceeds the Minimum Transfer Amount of the Transferee, the Transferee is required to transfer credit support of the same type, nominal value, description and

amount as that comprised in the Transferor's Credit Support Balance (VM) (known as "**Equivalent Credit Support (VM)**"), up to an aggregate amount having a Value equal to that Return Amount (VM).

If the operation of the Credit Support Annex requires credit support to be provided by the Company as Transferor to the Counterparty as Transferee, the Company would use the Outstanding Assets to satisfy its obligation.

The "**Minimum Transfer Amount**" of a Transferor will be EUR 250,000 (or its equivalent in another currency as at the Issue Date of the first Tranche of the relevant Series) or such lower amount as is specified in the applicable Pricing Conditions, or, if not so specified, zero; provided that, at any time and from time to time, the Counterparty may designate any amount lower than EUR 250,000 (or its equivalent in another currency as at the time of designation) as the Minimum Transfer Amount for either party at that time.

Any deliveries of credit support are subject to rounding. Cash will be rounded up to the nearest whole unit whereas securities will be rounded up to the nearest denomination in the case of a Delivery Amount (VM) and down to the nearest denomination in the case of a Return Amount (VM).

#### *Value and Exposure*

The "**Exposure**" of a party ("**X**") to the other ("**Y**") under the Swap Agreement represents the amount, if any, that would be payable to X by Y (expressed as a positive number) or by X to Y (expressed as a negative number) under the Swap Agreement if it were terminated, but calculated on a mid-market basis.

The "**Value**" of an item of the securities comprising credit support will be determined by taking the value in the Base Currency of the bid price for that security obtained by the Valuation Agent (which may include a bid price quoted by itself in good faith in a commercially reasonable manner) and by then multiplying by a percentage equal to the Valuation Percentage minus, if applicable, the relevant FX Haircut Percentage.

The "**Valuation Percentage**" for an item of credit support will be specified in the applicable Pricing Conditions but provided that if at any time the Valuation Percentage assigned to an item of Eligible Credit Support (VM) with respect to a party (as the Transferor) under the Credit Support Annex is greater than the maximum permitted valuation percentage (prescribed or implied) for such item of collateral under any law requiring the collection of variation margin applicable to the other party (as the Transferee), then the Valuation Percentage with respect to such item of Eligible Credit Support (VM) and such party will be such maximum permitted valuation percentage.

The "**Base Currency**" means the currency in which the Series is denominated, unless otherwise specified in the applicable Pricing Conditions. An "**Eligible Currency**" will mean the Base Currency and each other currency specified in the applicable Pricing Conditions.

The "**FX Haircut Percentage**" means, with respect to a party as the Transferor and an item of Eligible Credit Support (VM) or Equivalent Credit Support (VM), eight per cent., unless the Eligible Credit Support (VM) or Equivalent Credit Support (VM) is in the form of cash in a Major Currency or is denominated in a currency that matches an Eligible Currency, in which case the FX Haircut Percentage will be zero per cent.

As used above, "**Major Currency**" means any of (i) United States Dollar, (ii) Canadian Dollar, (iii) Euro, (iv) United Kingdom Pound, (v) Japanese Yen, (vi) Swiss Franc, (vii) New Zealand Dollar, (viii) Australian Dollar, (ix) Swedish Kronor, (x) Danish Kroner, (xi) Norwegian Krone or any other currency specified as such in the applicable Pricing Conditions.

#### *Timings and Methodology of Calculations and Transfers*

Under the terms of the Credit Support Annex, the Valuation Agent will determine whether a Delivery Amount (VM) or Return Amount (VM) arises in relation to each Valuation Date, as well as making other valuations required under the Credit Support Annex.

The “**Valuation Agent**” will be the Calculation Agent for the Swap Agreement (and subject to the provisions thereof regarding replacement of the Calculation Agent as summarised in “Termination Payments” above).

A “**Valuation Date**” will be each day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London, unless the applicable Pricing Conditions specify that different dates apply.

If transfer of credit support is required and relevant notices are received (or are deemed to have been received) by applicable cut-off times, then the relevant transfer is required to be made not later than the close of business on the Regular Settlement Day relating to the date of the relevant demand.

“**Regular Settlement Day**” means, with respect to a date of demand, (i) for cash or other property (other than securities) that would have been transferred into the relevant bank account specified by the recipient on the date of demand had the instruction for transfer been given on such date of demand, the same local business day as the date of demand; (ii) for any other cash or other property (other than securities), the next local business day and (iii) for securities, the first local business day after such date on which settlement of a trade in the relevant securities, if effected on such date, would have been settled in accordance with customary practice when settling through the clearing system agreed between the parties for delivery of such securities or, otherwise, on the market in which such securities are principally traded (or, in either case, if there is no such customary practice, on the first local business day after such date on which it is reasonably practicable to deliver such securities).

However, if under any law requiring the collection or posting by the Counterparty of variation margin, the Counterparty is at that time required to collect or post variation margin on a shorter timeframe in respect of the Swap Agreement, Regular Settlement Day shall mean the same local business day as the date of demand.

#### *Exchanges*

A Transferor is entitled to inform the Transferee that it wishes to exchange credit support comprised in its Credit Support Balance (VM) for alternative Eligible Credit Support (VM). In such case, the Transferor and Transferee will be obliged to exchange the relevant credit support on the timings set out in the Credit Support Annex.

#### *Distributions and Interest Amounts*

Where Distributions arise in respect of credit support comprised in a Transferor’s Credit Support Balance (VM), the Transferee is required to transfer cash, securities or other property of the same type, nominal value, description and amount as such Distributions, to the extent that this would not create or increase a Delivery Amount (VM).

“**Distributions**” means, with respect to Eligible Credit Support (VM) comprised in the Credit Support Balance (VM) of a Transferor that comprises securities, all principal, interest and other payments and distributions of cash or other property that would have been received by a Relevant Holder of securities of the same type, nominal value, description and amount as such Eligible Credit Support (VM) from time to time, provided that Distributions shall be gross of any taxes, costs or other charges that may have been imposed on a payment of principal, interest or other payment or distribution to such a Relevant Holder. For this purpose, “**Relevant Holder**” means a hypothetical holder having the same legal form and being incorporated and domiciled in the same jurisdiction as the relevant Transferee.

#### *Legally Ineligible Credit Support*

The Credit Support Annex contains provisions that enable a party to deliver a notice that items that then comprise Eligible Credit Support (VM) will cease to comprise Eligible Credit Support (VM). Such notice can be delivered if the Transferee determines that the relevant items either have ceased to satisfy, or as of a specified date will cease to satisfy, collateral eligibility requirements under laws applicable to the

Transferee requiring the collection of variation margin. Any credit support in the Transferor's Credit Support Balance (VM) that does not comprise Eligible Credit Support (VM) will be given a Value of zero. If the Counterparty delivers such a notice to the Company, the Company is unlikely to have any other Outstanding Assets available to it to provide to the Counterparty as Eligible Credit Support (VM) and, as a result, such legal ineligibility would be likely to lead to an event of default under the Swap Agreement if not remedied within the time period therein and would entitle the Counterparty to terminate the Swap Agreement. Such termination would result in an early redemption of the Certificates.

#### *Early Termination*

On any Early Termination Date being designated or deemed to occur under the Swap Agreement, the party to whom collateral has been posted shall not be obliged to return such collateral or equivalent collateral, but instead the Value of such collateral (but for this purpose without applying any Valuation Percentage or FX Haircut Percentage) shall be deemed to be owed to the transferor for the purposes of calculating the termination payment under the Swap Agreement.

#### **Addresses**

The business address of J.P. Morgan SE is TaunusTurm, Taunustor 1, 60310 Frankfurt am Main, Germany.



## PRINCIPAL CASH FLOWS

*Set out below is a description of the principal cash flows underlying the issue of the Certificates. Potential investors are referred to the terms and conditions of the Certificates and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.*

### **Issue Date:**

On the Issue Date, amongst other things:

- (i) the Company shall issue the Certificates and use part of the issue proceeds towards the purchase of the Underlying Fund Shares; and
- (ii) the Company and the Counterparty shall enter into a Swap Agreement whereby:
  - a. the Company will use the remaining part of the issue proceeds of the Certificates to make an Initial Payment Amount to the Counterparty; and
  - b. the Counterparty will pay the Company various amounts in order for the Company to be able to fund various expenses incurred by the Company in connection with the Certificates, including Agent's fees and expenses.

### **Duration of the Certificates:**

During the period following the Issue Date of the Certificates until the Maturity Date:

- (i) the Company is obliged to pay interest amounts in respect of the Certificates on each Specified Interest Payment Date conditional on the performance of the Worst Performing Reference Share. If on the Valuation Date prior to any Specified Interest Payment Date the performance of the Worst Performing Reference Share amongst the basket of Reference Shares is greater than or equal to the Barrier Level, then an interest amount determined at a fixed rate of 5.00 per cent. per annum will be payable by the Company in respect of the Certificates on such Specified Interest Payment Date in respect of the related Interest Accrual Period. If, however, on such Valuation Date the performance of the Worst Performing Reference Share in the basket is less than the Barrier Level, then no interest amount will be payable in respect of the Certificates by the Company on such Specified Interest Payment Date even if the performance of the other Reference Shares in the basket is not less than the Barrier Level;
- (ii) the Swap Counterparty will pay periodic amounts to the Company equal to the aggregate interest amount (if any) payable by the Company in respect of the Certificates. The Company will fund the payment of such interest amounts payable under the Certificates solely from equivalent amounts payable by the Counterparty under the Swap Agreement.

### **Scheduled Maturity Date:**

Unless they redeem early, the Certificates will be redeemed at their Redemption Amount on the Scheduled Maturity Date. The Redemption Amount payable in respect of each Certificate is expressed to be an amount in EUR determined by the Calculation Agent equal to (subject to the applicable limited recourse provisions) (i) EUR 1,000 (being 100 per cent. of such Certificate's principal amount) plus (ii) subject to a minimum of zero, such Certificate's *pro rata* share of the aggregate redemption amount comprised of cash in respect of the Underlying Fund Shares payable on their scheduled maturity date minus the aggregate principal amount of the Certificates.

The Company will fund the Redemption Amount due on the Certificates solely from the aggregate redemption amount comprised of cash in respect of the Underlying Fund Shares payable on their

scheduled maturity date. The principal amount of the Underlying Fund Shares held by the Company in respect of the Certificates will be an amount such that the aggregate redemption amount comprised of cash in respect of such Underlying Fund Shares payable on their scheduled maturity date is expected to be no less than the aggregate principal amount of the Certificates.

The level of collateralisation provided by the Underlying Fund Shares will be sufficient to fund the final redemption amount payable in respect of the Certificates on their scheduled maturity date, even if such aggregate redemption amount in respect of the Underlying Fund Shares, in practice, is less than the aggregate principal amount of the Certificates. This is because, the final redemption amount in respect of the Certificates actually payable in practice is linked to the extent of the redemption proceeds of the Underlying Fund Shares. Therefore, if the aggregate redemption amount in respect of the Underlying Fund Shares is less than expected, then there will be a corresponding reduction in Certificateholders' claims in respect of the final redemption amount in respect of the Certificates and the final redemption amount payable in respect of the Certificates will be less than the aggregate principal amount of the Certificates.

## THE CUSTODY AGREEMENT

The Outstanding Assets (excluding the Underlying Fund Shares (which will be held by the Company directly)) in respect of the Certificates, will be held, or caused to be held, by The Bank of New York Mellon, London Branch acting in its capacity as custodian (the “**Custodian**”) pursuant to the terms set out in the master custody terms specified in the Programme Deed, as amended and supplemented from time to time (the “**Custody Agreement**”). The Company may appoint a custodian other than The Bank of New York Mellon, London Branch as specified in the Pricing Conditions or may replace the original custodian in accordance with the Master Conditions; this section only relates to The Bank of New York Mellon, London Branch as Custodian.

The Custodian will agree under the Custody Agreement to use reasonable care in the performance of its custodial duties thereunder and to exercise the same degree of care with respect to such Outstanding Assets as it would with respect to its own securities and properties.

Under the Custody Agreement, the Company authorises any office or branch of the Custodian and any sub-custodian to hold such Outstanding Assets in their account or accounts with any other sub-custodian, any securities depository or at such other account keeper or clearing system as the Custodian deems to be appropriate for the type of instruments which comprise such Outstanding Assets. Any such appointment is made on the terms that such Outstanding Assets are not to be subject to any lien, charge, right or security interest in favour of such sub-custodian, account keeper or clearing system except to the extent of its charges in accordance with such agreement for administration and safe custody.

In accordance with normal market practice, the Custodian is entitled to hold securities through other entities and securities depositories and the existence of charges over those securities may not be registered in the country or at the depository in which they are ultimately held or notified to any such depository.

The Bank of New York Mellon, London Branch as Custodian will perform its obligations under the Custody Agreement through its London office.

The Security in respect of the Certificates includes a first fixed charge over such Outstanding Assets which may be held by or through the Custodian through a sub-custodian or Euroclear, Clearstream, Luxembourg and/or DTC and/or an alternative clearing system. The charge is intended to create a property interest in such Outstanding Assets in favour of the Trustee to secure the Company's liabilities. However, where such Outstanding Assets are held through a sub-custodian or a clearing system the interests which the Custodian holds and which are traded are not the physical securities themselves but a series of contractual rights in the sub-custodian or in the clearing system. These rights consist of (i) the Company's rights against the Custodian, (ii) the Custodian's rights as an accountholder against the sub-custodian or clearing system, (iii) the rights of the sub-custodian or clearing system against the common depository or other sub-custodian or clearing system in which the securities are held and (iv) the rights of the common depository or such other sub-custodian or clearing system against the issuer of the securities. As a result, where securities are held through a sub-custodian or a clearing system the Security may take the form of an assignment of the Company's rights against the Custodian under the Custody Agreement rather than a charge over such Outstanding Assets themselves.

Any cash deposited with the Custodian by the Company and any cash received by the Custodian for the account of the Company in relation to Certificates will be held by the Custodian as banker and not as trustee and will be a bank deposit. Accordingly, such cash will not be held as client money and will represent only an unsecured claim against the Custodian's assets.

The Custodian will not be obliged to pay interest on any cash balances which it may hold from time to time.

The Custodian is entitled, upon receipt of instructions in accordance with the terms of the Custody Agreement, to transfer, exchange or deliver such Outstanding Assets held in the custody account and to debit the cash account in accordance with those instructions and/or what the Custodian reasonably

believes to be local market practice. Such instructions may include, but are not limited to, instructions to pay certain amounts that it receives in respect of such Outstanding Assets to the Principal Paying Agent or to the Counterparty. The Custodian is authorised, but not obliged, to pay out certain amounts due (or to become due) in respect of the Certificates, notwithstanding that it has not confirmed receipt by it of the corresponding amounts due to it, unless instructed not to make such payment by the Counterparty or the Arranger, and shall have no liability to any person as a result thereof.

## **CALCULATION AGENT**

The Company has appointed JPMS plc to act as initial Calculation Agent with respect to the Certificates.

For the avoidance of doubt, JPMS plc does not act as calculation agent under the Swap Agreement. JPMSE will act as initial calculation agent under the Swap Agreement.

JPMS plc is a public limited company incorporated in England and Wales and an indirect subsidiary of JPMorgan Chase Bank, National Association, a national banking association in the United States of America and a principal subsidiary of JPMorgan Chase & Co. JPMorgan Chase & Co. is a financial holding company incorporated under Delaware law in 1968, is a leading global financial services firm and is one of the largest banking institutions in the U.S. with operational worldwide. JPMS plc had \$703 billion in assets and \$46 billion in total shareholder equity as of 31 December 2022.

The Company may at any time terminate the appointment of the Calculation Agent by giving to the Principal Paying Agent and the Calculation Agent at least 60 days' notice to that effect, which notice shall expire at least 30 days before or after any due date for payment in respect of the Certificates. The Calculation Agent may resign its appointment at any time by giving the Company and the Principal Paying Agent at least 60 days' notice to that effect, which notice shall expire at least 30 days before or after any due date for payment in respect of the Certificates. No such resignation or termination of the appointment of the Calculation Agent shall take effect until a new Calculation Agent has been appointed. Upon any letter of appointment being executed by or on behalf of the Company and any person appointed as a Calculation Agent, such person shall become a party to the Agency Agreement as if originally named in it and shall act as such Calculation Agent in respect of the Certificates.

## TAXATION CONSIDERATIONS

### **Possibility of U.S. withholding tax on payments**

#### ***Background***

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a withholding tax is imposed (i) on certain U.S. source payments and (ii) beginning on the date that is two years after the date of publication in the U.S. Federal Register of final regulations defining the term “foreign passthru payment”, payments made by “foreign financial institutions” that are treated as foreign passthru payments. This withholding tax is imposed on such payments made to persons that fail to meet certain certification, reporting, or related requirements. The Company may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of FATCA to instruments or agreements such as the Underlying Fund Shares, the Swap Agreement and the Certificates, including whether withholding on foreign passthru payments would ever be required pursuant to FATCA or an IGA with respect to payments on instruments or agreements such as the Underlying Fund Shares, the Swap Agreement and/or the Certificates, are uncertain and may be subject to change.

#### ***Possible impact on payments on the Underlying Fund Shares and Swap Agreement***

If the Company fails to comply with its obligations under FATCA (including any applicable IGA and any IGA legislation thereunder), it may be subject to FATCA Withholding on all, or a portion of, payments it receives with respect to the Underlying Fund Shares or the Swap Agreement. Any such withholding would, in turn, result in the Company having insufficient funds from which to make payments that would otherwise have become due in respect of the Certificates and/or the Swap Agreement with respect to the Certificates. No other funds will be available to the Company to make up any such shortfall and, as a result, the Company may not have sufficient funds to satisfy its payment obligations to Certificateholders. Additionally, if payments to the Company in respect of the Underlying Fund Shares are, will become or are deemed on any test date to be subject to FATCA Withholding, the Certificates will be subject to early redemption. No assurance can be given that the Company can or will comply with its obligations under FATCA or that the Company will not be subject to FATCA Withholding.

#### ***Possible impact on payments on the Certificates***

The Company may be required to withhold amounts from Certificateholders (including intermediaries through which the Certificates are held) that are foreign financial institutions that are not compliant with, or exempt from, FATCA or Certificateholders that do not provide the information, documentation or certifications required for the Company to comply with its obligations under FATCA.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE COMPANY, THE CERTIFICATES AND CERTIFICATEHOLDERS IS SUBJECT TO CHANGE.

#### ***Information reporting obligations and FATCA amendments***

Information relating to the Certificates, their holders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes (including, without limitation, in relation to FATCA). This may include (but is not limited to) information relating to the value of the Certificates, amounts paid or credited with respect to the Certificates, details of the holders or beneficial owners of the Certificates and information and documents in connection with transactions relating to the Certificates. In certain circumstances, the information obtained by a tax authority may be provided to tax authorities in other countries. Some jurisdictions operate a withholding system in place of, or in addition to, such provision of information requirements. Pursuant to the Conditions and subject to certain limitations, a Certificateholder or beneficial owner of Certificates is required to provide forms, documentation and other information relating to such Certificateholder's or beneficial

owner's status under any applicable law (including, without limitation, any Information Reporting Regime or any agreement entered into by the Company pursuant thereto) as is reasonably requested by the Company and/or any agent acting on behalf of the Company for purposes of the Company's, or such agent's compliance with any such law or agreement. If any Certificateholder or beneficial owner fails to provide any information so requested by the Company, the Company shall withhold amounts from payments due on the Certificates (including to intermediaries through which the Certificates are held) and all Certificates shall be the subject of an early redemption.

Additionally, the Company is permitted, subject to the fulfilment of certain requirements, to make any amendments to the Certificates, the Swap Agreement and any other Transaction Document as may be necessary to enable the Company to comply with its obligations under FATCA (including any applicable IGA and any IGA legislation thereunder) or its obligations under any legislation or agreements relating to any applicable Information Reporting Regime and any such amendment will be binding on the Certificateholders.

Neither a Certificateholder nor a beneficial owner of Certificates will be entitled to any additional amounts if FATCA Withholding or any other withholding or deduction or charge in connection with an Information Reporting Regime is imposed on any payments on or with respect to the Certificates. As a result, Certificateholders may receive less interest or principal, as applicable, than expected.

Each Certificateholder should consult its own tax adviser to obtain a more detailed explanation of FATCA and the other Information Reporting Regimes and to learn how FATCA and the other Information Reporting Regimes might affect such Certificateholder in light of its particular circumstances.

### **Italian Taxation**

*The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made also on a retroactive basis.*

*The following is a general overview of certain Italian tax consequences of the purchase, ownership and disposal of the Certificates by Italian resident investors. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Certificates and does not purport to deal with the tax consequences applicable to all categories of investors and of Certificates, some of which may be subject to special rules. Prospective investors should consult their own tax advisers in relation to the Italian tax consequences associated with purchasing and disposing of the Certificates.*

*Given the peculiarity of the instruments at stake, the Company cannot exclude that the Certificates may fall within the scope of a tax regime different than those described below.*

*This overview will not be updated to reflect changes in laws and if such a change occurs the information in this overview could become invalid.*

### **Taxation of Italian resident Certificateholders**

The Certificates issued by the Company may be subject to different tax regimes in the hands of Italian resident Certificateholders depending on whether:

- the Certificates qualify as derivative financial instruments or bundles of derivative financial instruments; or
- the Certificates qualify as atypical securities (*titoli atipici*).

Depending on the qualification of the Certificates, the following Italian tax treatments may apply in the hands of Italian resident Certificateholders.

## 1. Certificates qualifying as derivative securities

Where the proceeds from the Certificates qualify as securitized derivatives, the following Italian tax regime should apply in the hands of Italian resident Certificateholders.

Any income obtained from the Certificates to the extent that they qualify as securitized derivatives would be treated as part of the taxable business income (and, in certain circumstances, depending on the “*status*” of the Certificateholder, also as part of the net value of the production for IRAP purposes) if realized by Italian resident companies, Italian resident partnerships carrying out commercial activities or similar commercial entities (including Italian permanent establishments of foreign entities to which the Certificates are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Certificates are connected.

Pursuant to Decree no. 461 of 21 November 1997, as amended and supplemented from time to time (“**Decree 461**”), where an Italian resident Certificateholder is (i) an individual not engaged in an entrepreneurial activities to which the Certificates are connected, (ii) an Italian resident partnership not carrying out commercial activities or (iii) an Italian private or public institution not carrying out mainly or exclusively commercial activities, any capital gain realized by such Certificateholder from the sale or transfer for consideration of the Certificates would be subject to a substitute tax (*imposta sostitutiva*), levied at the current rate of 26%. Certificateholders may generally offset against capital losses with gains of the same nature.

In respect of the application of such substitute tax, taxpayers may opt for one of the three regimes described below.

Under the so called “*regime della dichiarazione*” (the “**Tax Declaration Regime**”), which is the standard regime for taxation of capital gains, the 26% *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss of the same nature, realized pursuant to all investment transactions carried out during any given tax year. The overall capital gains realized in any tax year, net of any incurred capital loss of the same nature, must be reported in the relevant annual tax return and the substitute tax must be paid on such gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realized in any of the four succeeding tax years.

As an alternative to the Tax Declaration Regime, the holders of the Certificates who are:

- Italian resident individuals not engaged in entrepreneurial activities to which the Certificates are connected;
- Italian resident partnerships not carrying out commercial activities;
- Italian private or public institutions not carrying out mainly or exclusively commercial activities,

may elect to pay the *imposta sostitutiva* separately on capital gains realized on each sale or transfer or redemption of the Certificates under the so called “*regime del risparmio amministrato*” (the “**Administrative Savings Regime**”), according to Article 6 of Decree 461. Such separate taxation of capital gains is allowed subject to (i) the Certificates being deposited with Italian banks, SIMs or certain authorized financial intermediaries (or permanent establishments in the Italian Republic of foreign intermediaries) and (ii) an express election for the Administrative Savings Regime being timely made in writing by the relevant Certificateholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realized on each sale or transfer or redemption of the Certificates, as well as on capital gains realized as at revocation of its mandate, net of any relevant incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Certificates, deducting a corresponding amount from the proceeds to be credited to the Certificateholder or using funds provided by the Certificateholder for this purpose. Where a sale or transfer or redemption of the Certificates results



in a capital loss, such loss may be offset against capital gains of the same nature subsequently realized, within the same relationship of deposit, in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the Certificateholder is not required to declare the capital gains in the annual tax return.

Where the Certificates are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorized financial intermediary, the capital gains realized upon sale, transfer or redemption of the Certificates will not be subject to the substitute tax on capital gains but will contribute to the determination of the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Under the Asset Management Regime, the Certificateholder is not required to declare the capital gains realized in the annual tax return.

Any income on Certificates held by Italian resident open-ended or closed-ended collective investment funds (together the “**Funds**” and each a “**Fund**”), Italian investment companies with variable capital (“**SICAVs**”) and Italian resident non-real estate investment companies with fixed capital (“**SICAFs**”) contribute to determine the increase in value of the managed assets of the Funds, SICAVs or non-real estate SICAFs accrued at the end of each tax year. The Funds, SICAVs or SICAFs will not be subject to taxation on such increase, but a withholding tax of 26% will apply, in certain circumstances, to distributions made in favor of unitholders or shareholders (the “**Collective Investment Fund Tax**”).

Where a Certificateholder is an Italian resident real estate investment funds (“**Real Estate Funds**”) or an Italian real estate investment companies with fixed capital (“**Real Estate SICAFs**”), to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply, any income on Certificates will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund or Real Estate SICAF. The income of the Real Estate Fund or Real Estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation.

Any capital gains on Certificates held by a Certificateholder who is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree no. 252 of 5 December 2005 (“**Decree 252**”)) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20% tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest accrued on the Certificates during the holding period).

Any income realized by non-Italian-resident Certificateholders without a permanent establishment in the Italian Republic to which the Certificates are effectively connected in respect of Certificates traded on regulated markets in the Italian Republic or abroad are not subject to the *imposta sostitutiva*, regardless of whether the Certificates are held in the Italian Republic. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Certificateholders who hold the Certificates with an Italian authorized financial intermediary and elect to be subject to the Asset Management Regime or are subject to the Administrative Savings Regime, may be required to file in due time to the Italian authorized financial intermediary an appropriate statement (*autocertificazione*) that they are not resident in the Italian Republic for tax purposes.

Capital gains realized by non-Italian resident Certificateholders without a permanent establishment in the Italian Republic to which the Certificates are effectively connected from the sale or redemption of Certificates not traded on regulated markets issued by an Italian or non-Italian resident issuer may in certain circumstances be taxable in the Italian Republic, if the Certificates are held in the Italian Republic.

## **2. Certificates qualifying as atypical securities**

The Certificates which represent a capital investment but do not fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli simili alle obbligazioni*) pursuant to Article 44, paragraph 2, letter (c) of Presidential Decree No. 917 of 22 December 1986 (as amended from time to time) may

qualify as “atypical” securities (*titoli atipici*) pursuant to article 5 of Decree no. 512 of 30 September 1983. In that case, a 26% “entrance” withholding tax may apply in the Italian Republic if the Certificates are placed (“*collocati*”) in the Italian Republic and payments on the Certificates are collected through an Italian bank or other qualified financial intermediary. However, the 26% “entrance” withholding tax does not apply to payments made:

- to a non-Italian resident Certificateholder. If Certificates issued by a non-Italian resident issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in the Italian Republic of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in the Italian Republic of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in the Italian Republic of foreign intermediary) intervenes in the payment of Interest on such Certificates, to ensure payment without application of Italian taxation a non-Italian resident Certificateholder may be required to produce to the Italian bank or other intermediary a self-declaration stating that he or she is not resident in the Italian Republic for tax purposes; and
- to an Italian resident Certificateholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities to which the Certificates are effectively connected), (ii) a commercial partnership, or (iii) a commercial private or public institution. In particular, in such cases, income paid out of the Certificates must be included in the relevant Certificateholder’s annual income tax return, to be therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the “status” of the Certificateholder, also to IRAP) according to the ordinary rules and the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside the Italian Republic, if any.

With respect to the other categories of Italian resident Certificateholders, if payments on Certificates issued by a non-Italian resident issuer are not collected through an Italian resident bank or other qualified financial intermediary, and as such no “entrance” withholding tax is required to be levied, such Certificateholders will be required to report the payments in their yearly income tax return and subject them to a final substitute tax at rate of 26% (only limited to those Certificateholders not engaged in a business activity to which the Certificates are effectively connected). Italian resident individual beneficial owners holding Certificates not in connection with a business activity may elect instead to pay ordinary personal income tax at the progressive rates applicable to them: if so, the beneficial owners should generally benefit from tax credit for withholding taxes applied outside the Italian Republic, if any.

In case Certificates issued by a non-Italian resident issuer are held by an Italian resident individual engaged in a business activity and are effectively connected with same business activity, any payment collected under the Certificates will be subject to the 26% “entrance” withholding tax on a provisional basis and will be included in the relevant income tax return. As a consequence, such income will be subject to the ordinary income tax and the withholding tax may be recovered as a deduction from the income tax due.

### **3. Certain reporting obligations for Italian-resident Certificateholders**

Under Law Decree no. 167 of 28 June 1990, as subsequently amended and supplemented, Italian resident individuals, non-business entities and non-business partnerships that are resident in the Italian Republic and, during the tax year, hold investments abroad or have financial assets abroad (including possibly the Certificates) must, in certain circumstances, disclose these investments or financial assets to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding EUR 15,000 threshold throughout the year, which per se do not require such disclosure). The requirement applies also

where the persons above, being not the direct holder of the financial assets, are the beneficial owners thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist for investments and financial assets (including the Certificates) under management or administration entrusted to Italian resident intermediaries (Italian banks, SIMs, fiduciary companies or other professional intermediaries) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subjected to Italian withholding or substitute tax by the same intermediaries.

#### **4. Italian inheritance tax and gift tax**

The transfer of Certificates by reason of gift, donation or succession proceedings may be subject to Italian gift and inheritance tax as follows:

- 4% for transfers in favor of the spouse or direct relatives exceeding, for each beneficiary, a threshold of EUR 1.0 million;
- 6% for transfers in favor of siblings exceeding, for each beneficiary, a threshold of EUR 0.1 million;
- 6% for transfers in favor of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and
- 8% for transfers in favor of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heirress or the donee is a person with a severe disability pursuant to Law no. 104 of 5 February 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds EUR 1.5 million.

With respect to Certificates listed on a regulated market, the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest). With respect to unlisted Certificates, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

#### **5. Wealth tax –holding through non-Italian resident or based financial intermediary**

According to Article 19 of Law Decree no. 201 of 6 December 2011 (as amended from time to time), Italian resident individuals, non-commercial entities, including trusts and foundations and noncommercial partnerships holding financial products, including the Certificates, outside the Italian Republic without the involvement of an Italian financial intermediary are required to pay a wealth tax currently at the rate of 0.2% (the level of tax being determined in proportion to the period of ownership). The wealth tax applies on the market value at the end of the relevant year or, in the absence of a market value, on the nominal value or redemption value of such financial products held outside the Italian Republic. Taxpayers are generally permitted to deduct from the wealth tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due). The wealth tax cannot exceed EUR 14,000.00 per year for taxpayers different from individuals.

#### **6. Stamp taxes and duties – holding through an Italian resident or based financial intermediary**

Under Article 13(2*bis-2ter*) of Decree no. 642 of 26 October 1972, a 0.2% stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. The Certificates may be included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed EUR 14,000.00 for Certificateholders other than individuals.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the 0.2% stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as “clients” according to the regulations issued by the Bank of Italy. Communications and reports sent to this type of investors are subject to the ordinary EUR 2.00 stamp duty for each copy.

The taxable base of the stamp duty is the market value or, in the lack thereof, the nominal value or the redemption amount of any financial product.

## **7. Registration tax**

Contracts relating to the transfer of the Certificates are subject to the registration tax as follows:

- public deeds and private deeds with notarized signatures executed in the Italian Republic (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at rate of EUR 200.00; and
- private deeds (*scritture private non autenticate*) are subject to fixed registration tax of EUR 200.00 only in the case of use or voluntary registration or occurrence of the so-called *enunciazione*.

## SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in the master dealer terms (the “**Master Dealer Terms**”) specified in the Programme Deed (as amended, and together with the dealer confirmation, the “**Dealer Agreement**”), the Certificates may be sold to J.P. Morgan SE under the Dealer Agreement (the “**Dealer**”), who shall act as principal in relation to such sale.

By entering into the Dealer Agreement, the Company has agreed to indemnify the Dealer against certain liabilities in connection with the offer and sale of the Certificates. The Dealer Agreement may be terminated by the Company or, in relation to itself and itself only, by the Dealer, at any time on giving not less than 10 days’ notice.

The Dealer may sell Certificates to subsequent purchasers in individually negotiated transactions at negotiated prices, which may vary among different purchasers and which may be greater or less than the Issue Price of the Certificates.

### **Selling Restrictions**

#### ***United States***

The Certificates have not been and will not be registered under the Securities Act and may not at any time be offered or sold in the United States (as defined in Regulation S) or to, or for the account or benefit of, any person who is (a) a U.S. person (as defined in Regulation S), (b) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934) or (c) not a Non-United States person (as defined in Rule 4.7 under the CEA, but excluding, for the purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons). Prospective investors should note that the definition of “U.S. person” in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934 is substantially similar to, but not identical to, the definition of “U.S. person” under Regulation S.

By entering into the Dealer Agreement, the Dealer has agreed that it will not offer, sell, pledge or transfer the Certificates as part of their distribution or otherwise at any other time in the United States or to, or for the account or benefit of, (a) a U.S. persons (as defined in Regulation S), (b) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934) or (c) persons who are not Non-United States persons (as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, but excluding for purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons), and it will have sent to each distributor, dealer (as defined in Section 2(a)(12) of the Securities Act) or person receiving a selling concession, fee or other remuneration in respect of the Certificates sold to which the Dealer sells Certificates during the relevant distribution compliance period (as defined in Regulation S) in respect of the Certificates a confirmation or other notice setting forth the restrictions on offers and sales of the Certificates in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934) and persons who are not Non-United States persons (as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, but excluding for purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons).

#### ***European Economic Area***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, in relation to each Member State of the European Economic Area to which the Prospectus Regulation applies (each, a “**Relevant Member State**”), that with effect from and including the date on which the Prospectus Regulation is effective in that Relevant Member State (the

“**Relevant Effective Date**”) it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Prospectus as completed by the Conditions in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Effective Date, make an offer of such Certificates to the public in that Relevant Member State:

- (i) if the prospectus in relation to the Certificates specifies that an offer of those Certificates may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of such prospectus in relation to such Certificates which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus, as applicable and the Company has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Company for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Certificates referred to in (ii) to (iv) above shall require the Company or any Dealer to publish a prospectus pursuant to Article 1 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Certificates to the public**” in relation to any Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

### ***Ireland***

This Prospectus does not constitute an invitation to the public within the meaning of the Irish Companies Act 2014 to subscribe for the Certificates issued by the Company.

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

- (a) the Prospectus Regulation and any rules issued by the Central Bank of Ireland or in force pursuant to Section 1363 of the Companies Act 2014;
- (b) the Companies Act 2014;
- (c) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland;
- (d) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and any rule of the Central Bank of Ireland issued and/or in force pursuant to Section 1370 of the Companies Act 2014;
- (e) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance – based investment products (PRIIPs); and

- (f) the Central Bank Acts 1942 to 2018 (as amended) and any codes of conduct rules made pursuant to Section 117(1) of the Central Bank Act 1989.

**General**

These selling restrictions may be modified by the agreement of the Company and the Dealer, *inter alia*, following a change in the relevant law, regulation or directive. Any such modification will be set out in a supplement to this Prospectus.

Neither the Company nor the Dealer makes any representation that any action has been taken in any jurisdiction that would permit a public offering of any of the Certificates, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

## **CONSENT TO THE USE OF THE PROSPECTUS IN CONNECTION WITH NON-EXEMPT OFFERS**

This Prospectus has been prepared on the basis that an offer of the Certificates may be made by FinecoBank S.p.A. of Piazza Durante 11, Milan 20131, Italy other than pursuant to Article 1(4) of the Prospectus Regulation (a **“Non-exempt Offer”**) in the Italian Republic (**“Public Offer Jurisdiction”**) during the period from and including 18 April 2024 to, and including, 20 May 2024 (**“Offer Period”**).

In addition, in the context of any Non-exempt Offer of the Certificates, the Company accepts responsibility in the Public Offer Jurisdiction, for the content of this Prospectus in relation to any person (an **“Investor”**) who purchases any Certificates in a Non-exempt Offer made by the Authorised Offeror (as defined below), where that offer is made during the Offer Period.

Except in the circumstances described below, the Company has not authorised the making of any offer by any offeror and the Company has not consented to the use of this Prospectus by any other person in connection with any offer of the Certificates in any jurisdiction. Any offer made without the consent of the Company is unauthorised and none of the Company and the Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer. If, in the context of a Non-exempt Offer, an Investor is offered Certificates by a person which is not the Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Prospectus for the purpose of the relevant Non-exempt Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

The Company consents to the use of this Prospectus in connection with any Non-exempt Offer of Certificates in the Public Offer Jurisdiction during the Offer Period by FinecoBank S.p.A. of Piazza Durante 11, Milan 20131, Italy (an **“Authorised Offeror”**) for so long as they are authorised to make such offers under MiFID II and in the Public Offer Jurisdiction. The Company may after the date of this Prospectus appoint further financial intermediaries as Authorised Offerors in respect of the Non-exempt Offer which is the subject of this Prospectus. In such cases, the name of any such further financial intermediary appointed as an Authorised Offeror will be published on the website of the Company by way of an announcement identifying such financial intermediary as an Authorised Offeror.

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY CERTIFICATES FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE CERTIFICATES TO SUCH INVESTOR BY AN AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN THAT AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS (THE “TERMS AND CONDITIONS OF THE NON-EXEMPT OFFER”). THE COMPANY WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTOR AND, ACCORDINGLY, THIS PROSPECTUS DOES NOT CONTAIN SUCH INFORMATION. THE TERMS AND CONDITIONS OF THE NON-EXEMPT OFFER SHALL BE PROVIDED TO SUCH INVESTOR BY THE RELEVANT AUTHORISED OFFEROR AT THE TIME THE OFFER IS MADE. NEITHER THE COMPANY NOR THE DELAER HAS ANY RESPONSIBILITY OR LIABILITY FOR SUCH INFORMATION.**

**ANY AUTHORISED OFFEROR USING THIS PROSPECTUS WILL STATE ON ITS WEBSITE THAT IT HAS USED THIS PROSPECTUS IN ACCORDANCE WITH THE TERMS OF THE CONSENT GRANTED TO IT BY THE COMPANY.**



## TERMS AND CONDITIONS OF THE OFFER

- (1) The offer price in respect of the Certificates shall be equal to the Issue Price, being an amount equal to EUR 1,000 per Certificate.
- (2) Offers of the Certificates are conditional upon their issue. The Company has the right to withdraw the offering of the Certificates and cancel the issuance of the Certificates prior to the end of the subscription period for any reason. Reasons for the cancellation of the offer include, in particular: (i) adverse market conditions, as determined by the Company in its reasonable discretion (such as, for example, increased equity market volatility and increased currency exchange rate volatility) or (ii) that the number of applications received at that time is insufficient, in the Company's opinion, to make an economically viable issuance.
- (3) The Certificates are being offered to retail investors in the Italian Republic. A prospective investor should contact the Distributor during the Offer Period. The Company has the right to close the Offer Period early. A prospective investor will acquire the Certificates in accordance with the arrangements existing between the Distributor and its customers relating to the subscription of securities generally and not directly with the Company. Persons interested in purchasing the Certificates should contact their financial adviser. If an investor in any jurisdiction other than the Italian Republic wishes to purchase the Certificates, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted; and (b) contact its financial adviser, bank or financial intermediary for more information.
- (4) Investors may apply to purchase Certificates during the Offer Period. In particular:  
Any application shall be made to the Distributor.

**Door-to-door selling:** The Certificates may be distributed by the Distributor through door-to-door selling by means of tied agents, being financial advisors authorised to make off-premises offers (*consulenti finanziari abilitati all'offerta fuori sede*) pursuant to Articles 30 and 31 of the Legislative Decree 24 February 1998, No. 58, as amended and supplemented (the "**Italian Financial Services Act**") from (and including) 18 April 2024 to (and including) 20 May 2024 subject to any early closing of the Offer Period or cancellation of the offer of the Certificates.

The Distributor is intending to distribute the Certificates through door-to-door selling (*fuori sede*) pursuant to Article 30 of the Italian Financial Services Act and will collect the acceptance forms through the tied agents (*consulenti finanziari abilitati all'offerta fuori sede*) pursuant to Article 31 of the Italian Financial Services Act.

Pursuant to Article 30, paragraph 6, of the Italian Financial Services Act, the validity and enforceability of contracts entered into through door-to-door selling is suspended for a period of 7 (seven) days beginning on the date of subscription by the relevant investor. Within such period investors may notify the relevant Distributor and/or financial advisor of their withdrawal without payment of any charge or commission.

**Distance selling techniques:** The Certificates may also be distributed by the Distributor through distance selling techniques pursuant to Article 32 of the Italian Financial Services Act and Article 67-duodecies, Par. 4 of the Italian Legislative Decree 6 September 2005, No. 206 (the "**Consumer Code**"). In respect of purchase of the Certificates made by means of distance selling techniques, an investor that can be qualified as a consumer for the purposes of the Consumer Code is entitled to a 14-day period in which it can withdraw from the agreement without penalty and without giving any reason. Within such terms, the effects of the subscription agreements will be suspended and the investor can withdraw by means of a notice to the Company/Distributor without any expenses or other fees. The Certificates are being offered with no provision for reducing subscriptions, and consequently, no mechanism exists for refunding excess amounts paid by applicants.

- (5) Applications by prospective investors are not subject to a minimum or maximum amount.
- (6) The Certificates will be issued on the Issue Date against payment to the Company of the net subscription moneys.
- (7) The Company will arrange for the results of the offer to be published on the website of <https://www.defensivecificatesplc.com> on or around the Issue Date.
- (8) The offering of the Certificates does not include any provisions for the exercise of pre-emption rights, the negotiability of subscription rights, or the treatment of unexercised subscription rights.
- (9) Applicants will be notified directly by the Dealer of the success of their application. Dealings may begin before such notification is made.
- (10) Taxes charged in connection with the subscription, transfer, purchase, or holding of the Certificates must be paid by the Certificateholders. Neither the Company nor the Distributor shall have any obligation in relation thereto.
- (11) In respect of the offering of the Certificates, up to 3.00% (the "**Distribution Fee**") of the Issue Price of the Certificates, will be charged by, and payable to, FinecoBank S.p.A. of Piazza Durante 11, Milan 20131, Italy in its capacity as Distributor of the Certificates, as appointed by the Dealer. For the avoidance of doubt, neither the Company nor the Counterparty shall be liable to pay any subscription fees.
- (12) FinecoBank S.p.A. of Piazza Durante 11, Milan 20131, Italy (the "**Distributor**"), as appointed by the Dealer, will be the sole placer of the Certificates.
- (13) The Distributor has agreed to acquire the Certificates from the Dealer with a view to on-selling the Certificates as an independent distributor.

## GENERAL INFORMATION

- (1) The issue of the Certificates was authorised by a resolution of the Board on 10 April 2024.

Save as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Company and no material adverse change in the financial position or prospects of the Company since the date of its incorporation. As at the date of this Prospectus, the Company has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities, other than as disclosed elsewhere in this Prospectus.

- (2) The Company is not nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the previous 12 months, a significant effect on its financial position or profitability.
- (3) This Prospectus has been approved by the Central Bank in Dublin in its capacity as competent authority pursuant to Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Company or of the quality of the Certificates which are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Certificates.
- (4) It is expected that the auditors of the Company will be appointed before the financial year ended 31 December 2024.
- (5) The Company accepts responsibility for the information given in this Prospectus. To the best of its knowledge the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect its import.
- (6) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used. Any websites included in this Prospectus are for information purposes only and do not form part of this Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.
- (7) The Certificates will not be rated.
- (8) The Company will make reasonable efforts to arrange for the Certificates be listed on the SeDex Market of Borsa Italiana within 2 days of the Issue Date. No assurance can be given that such listing will be obtained and/or maintained. For the purposes of the listing and trading of the Certificates on the SeDex Market of Borsa Italiana, the Certificates will be trading in units where each unit will be the equivalent of one Certificate (with a principal amount equal to EUR 1,000).
- (9) The individual Dealer in respect of the Certificates is J.P. Morgan SE at TaunusTurm, Taunustor 1, 60310 Frankfurt am Main, Germany.
- (10) J.P. Morgan SE is the Responsabile del Collocamento (the "**Lead Manager**"), pursuant to Article 93-bis of the Legislative Decree of 24 February 1998, n. 58, as subsequently amended, in relation to the public offer of the Certificates in Italy since it has organised the placing syndicate by appointing the Distributor. For the avoidance of doubt, the Lead Manager will not act as distributor/placer and will not place the Certificates in Italy.

- (11) The estimated total expenses relating to the admission to trading is EUR 79,600.
- (12) The Common Code of the Certificates is 279741277.
- (13) The International Securities Identification Number (ISIN) of the Certificates is XS2797412777.
- (14) The Financial Instrument Short Name (FISN) of the Certificates is DEFENSIVE CERTI/VARUT 20280707.
- (15) The Classification of Financial Instruments Code (CFI) of the Certificates is DEXVRX.
- (16) Intended to be held in a manner which would allow Eurosystem eligibility: No.

Whilst the designation is specified as “No” at the date of this Prospectus, should the Eurosystem eligibility criteria be amended in the future such that the Certificates are capable of meeting them, the Certificates may then be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper and registered in the name of a nominee of one of Euroclear or Clearstream, Luxembourg acting as common safekeeper. Note that this does not necessarily mean that the Certificates will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

- (17) The Certificates will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue John F Kennedy, L-1855 Luxembourg.
- (18) For so long as the Certificates remain outstanding, physical or electronic copies of the following documents will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection or collection by the relevant Certificateholders at the registered office of the Company and the specified office of the Paying Agent and on the free to access website at <https://www.defensivecificatesplc.com> or may be provided by email to a Certificateholder following their prior written request to the Paying Agent or the Company and provision of proof of holding and identity (in a form satisfactory to the Paying Agent or the Company, as the case may be):
  - (i) the Programme Deed, the Master Trust Terms incorporated by reference therein and the Issue Deed and the confirmation evidencing the Swap Transaction;
  - (ii) the Certificate of Incorporation, Memorandum and Articles of Association and/or other constitutive documents of the Company;
  - (iii) a copy of this Prospectus; and
  - (iv) the most current financial statements (if any) of the Company.
- (19) The Company does not intend to provide any post-issuance information in relation to the issue of the Certificates or the performance of the related Underlying Fund Shares.
- (20) The Company is not rated.

## BOOK-ENTRY CLEARANCE PROCEDURES

*The information set out below is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear and Clearstream, Luxembourg (as used in this Appendix A, the “Clearing Systems”) currently in effect and purchasers 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.*

### General

In order to facilitate the clearance and settlement of the Certificates, the Certificates will be cleared and settled through Euroclear and Clearstream, Luxembourg. Euronext Securities Milan may hold Certificates on behalf of Italian investors as custodian through its customer accounts with 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 direct participants. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with a direct participant of either system. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective direct participants (a direct participant in either such Clearing System being a “**Direct Participant**”) may settle trades with each other. Their direct participants are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to others (“**Indirect Participants**”) that clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg Direct Participant, either directly or indirectly.

### Initial Issue of Certificates

The Certificates are in registered form intended to be cleared through Euroclear and Clearstream, Luxembourg and will initially be represented by a Global Certificate. Such Global Certificate will be deposited on the Issue Date with a common depository on behalf of Euroclear and Clearstream, Luxembourg and the Certificates represented thereby will be registered in the name of a nominee of the common depository.

Upon the initial registration of the Certificates in the name of a nominee of a common depository on behalf of Euroclear and Clearstream, Luxembourg and delivery of the related Global Certificate to the common depository, Euroclear or Clearstream, Luxembourg will credit each Direct Participant with a principal amount of Certificates equal to the principal amount thereof for which such Direct Participant has subscribed and paid (which subscription may be either for its own account or for the account of persons holding an interest in the Certificates through it).

Certificates that are initially registered in the name of a nominee for the common depository may also be transferred in the secondary market to the accounts of direct participants with other clearing systems through direct or indirect accounts with Euroclear or Clearstream, Luxembourg held by other clearing systems. Certificates that are initially registered in the name of and delivered to any other Clearing System (or a depository or custodian on its behalf) may be credited to the accounts of Direct Participants with Euroclear or Clearstream, Luxembourg or other clearing systems.

### Relationship of Participants with Clearing Systems

Each Direct Participant shown in the records of a Clearing System as the holder of a book-entry interest in a Certificate represented by a Global Certificate must look solely to that Clearing System for its share of

each payment made by the Company to the order of the nominee in whose name the Certificates are registered, and in relation to all other rights arising in respect of the Certificates, subject to and in accordance with the respective rules and procedures of such Clearing System.

Such persons shall have no claim directly against the Company in respect of payments due on the Certificates for so long as the Certificates are represented by such Global Certificate. The obligations of the Company will be discharged by payment to the order of the nominee in whose name the Certificates are registered in respect of each amount so paid. None of the Company, the Arranger, the Dealer, the Broker, the Trustee, the Counterparty, the Custodian, any Agent or any Affiliate of any of them (including any directors, officers or employees thereof) will have any responsibility or liability (i) for any aspect of the records relating to or payments made on account of book-entry interests in the Certificates represented by any Global Certificate, (ii) for maintaining, supervising or reviewing any records relating to such book-entry interests or (iii) in respect of payments made by Clearing Systems, Direct Participants or Indirect Participants relating to the Certificates.

The Clearing Systems shall have no responsibility for any payments to be made in respect of book-entry interests in the Certificates from Direct Participants to Indirect Participants or from Direct Participants or Indirect Participants to Beneficial Owners.

Subject to the rules and procedures of each applicable Clearing System, purchases of book-entry interests in Certificates cleared and settled through a Clearing System must be made by or through Direct Participants, which will receive a credit for such book-entry interest on the Clearing System's records. The ownership interest of each actual purchaser ("**Beneficial Owner**") is in turn to be recorded on the Direct or Indirect Participants' records. Beneficial Owners will not receive written confirmation from the Clearing Systems of their purchase. No certificates or definitive bonds will be issued by the Company to Direct Participants, Indirect Participants or Beneficial Owners. The Clearing Systems will not be aware of the identity of the Beneficial Owner. The records of the Clearing Systems will reflect only the identity of the Direct Participants to whose accounts such book-entry interests are credited, which may or may not be the Beneficial Owners. Such Beneficial Owners should look solely to the Direct Participant or Indirect Participant, as the case may be, with whom they have an immediate relationship, and to the governing terms of that relationship, to determine their rights in respect of book-entry interests in the Certificates.

Transfers of book-entry interests in the Certificates are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of the Beneficial Owners.

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 between them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The Clearing Systems may discontinue providing their clearance and settlement services as provided in their rules and procedures.

### **Trading between Euroclear and/or Clearstream, Luxembourg Participants**

Secondary market sales of book-entry interests in the Certificates held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Certificates 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.

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

### Exchange

The Global Certificate limits the circumstances in which registration of title to the Certificates in a name other than the nominee can transfer into the name of another person. For the avoidance of doubt, such limitation does not restrict the transfer of book-entry interests in the Certificates within the Clearing System.

The limitation contained in the Global Certificates is that transfers of the holding of the Certificates represented by any such Global Certificate pursuant to Condition 2(b) may only be made in part (that is to more than one person):

- (a) if the Certificates represented by such Global Certificate are held on behalf of Euroclear and Clearstream, Luxembourg and the Clearing Systems are closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announce an intention permanently to cease business or do in fact do so (each, a “**Closure Event**”) and the Company has not, within a period of 30 days following such Closure Event, procured that the Certificates have been deposited in an alternative clearing system that, in the reasonable determination of the Calculation Agent, (i) replaces one or more of the clearing systems that have been subject to the Closure Event or (ii) assumes a substantial proportion of the eurobond clearance business of one or more of the Clearing Systems that have been subject to the Closure Event; or
- (b) with the consent of the Company,

provided that, in the case of the first transfer of part of a holding pursuant to (a) above, Euroclear and/or Clearstream, Luxembourg, on behalf of the nominee as the registered holder, have given the Registrar not less than 30 days’ notice at the specified office of the Registrar such information as is required to effect such transfer.

In the circumstances described in (a) above, the expectation is that the relevant Clearing System will transfer the Certificates represented by the Global Certificate to Direct Participants (or as otherwise directed in accordance with its rules, regulations and procedures at the time). Such a transfer represents a withdrawal of the Certificates from the relevant Clearing System.

### Amendment to terms and conditions of the Certificates

The Global Certificate contains provisions that apply to the Certificates that it represents, some of which modify the effect of the terms and conditions of the Certificates set out in this Prospectus.

The following is a summary of those provisions:

#### ***Calculations of Principal and Interest***

The calculation of the amount payable upon redemption of the Certificates and (if applicable) the amount of interest payable on the Certificates is made in respect of the total aggregate principal amount of the Certificates.

#### ***Payments***

All payments in respect of Certificates represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Record Date. As used in this paragraph, “**Record Date**” means the Clearing System Business Day immediately prior to the date for payment, and “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

## **Meetings**

The holder of the Certificates represented by a Global Certificate shall (unless such Global Certificate represents only one Certificate) be treated as being two persons for the purposes of any quorum requirements of a meeting of Certificateholders. All holders of Certificates are entitled to one vote in respect of each minimum whole unit of the Relevant Currency comprising such Certificateholder's holdings whether or not represented by a Global Certificate.

References herein to "minimum whole unit of the Relevant Currency" shall be read and construed as references to the lowest whole unit of the Relevant Currency that is available as legal tender (e.g. one euro).

## **Modification by Extraordinary Resolution**

In respect of any resolution proposed by the Company or the Trustee:

- (i) where the terms of the proposed resolution have been notified to accountholders in the clearing system with entitlements to the Global Certificate through the relevant clearing system(s), each of the Company and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Company or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the beneficial holders of not less than 75 per cent. in principal amount of the Certificates outstanding ("**Electronic Consent**"). Neither the Company nor the Trustee shall be liable or responsible to anyone for such reliance; and
- (ii) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Company and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Company and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Certificate and/or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Company or the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment and provided that reasonable steps shall include the obtaining of an undertaking from the accountholder and/or beneficiary, as applicable, that they will not transfer any or all of such holding prior to the earlier of (i) the effecting of such amendment and (ii) a specified long-stop date. Any resolution passed in such manner shall be binding on the Certificateholder and all holders of beneficial interests in the Certificates represented by the Global Certificate, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "**commercially reasonable evidence**" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, and/or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Certificates. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EasyWay or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal amount of the Certificates is clearly identified together with the amount of such holding. Neither the Company nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.



A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on the Certificateholder and all holders of beneficial interests in the Certificates represented by the Global Certificate, whether or not they participated in such Written Resolution and/or Electronic Consent.

***Trustee's Powers***

In considering the interests of Certificateholders while the Certificates are registered in the name of any nominee of a common depository for a Clearing System, the Trustee may have regard to any information provided to it by such Clearing System or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Certificates and may consider such interests and treat such accountholders as if such accountholders were the holders of the Certificates represented by such Global Certificate.

***Notices***

So long as any Certificates are represented by a Global Certificate and the Certificates are registered in the name of any nominee of a common depository for a Clearing System, and subject to additional requirements by any stock exchange or other competent authority in relation to the Certificates which are listed, notices to the holders of Certificates may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the Clearing System on behalf of the nominee in whose name the Certificates are registered. Any such notice shall be deemed to have been given on the date of delivery of such notice to a Clearing System.

## TRANSFER RESTRICTIONS

Each purchaser of the Certificates (and, for the purposes hereof, references to Certificates shall be deemed to include interests therein), by accepting delivery of the Certificates, will be deemed to have represented, agreed and acknowledged as follows:

1. It is, or at the time the Certificates are purchased will be, the beneficial owner of the Certificates and it is, or if acting for the account or benefit of a person, such person is: (x) not a U.S. person (as defined in Regulation S); (y) not a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934); and (z) a Non-United States person (as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, but excluding for purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons) and is located outside the United States. Prospective investors should note that the definition of "U.S. person" in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934 is substantially similar to, but not identical to, the definition of "U.S. person" under Regulation S.
2. It understands that the Company may receive a list of participants holding positions in its securities from one or more book-entry depositories. It understands that each of it and any account for which it may act in respect of the Certificates is not permitted to have a partial interest in any Certificate and, as such, beneficial interests in Certificates should only be permitted in principal amounts representing the Denomination of the Certificates or multiples thereof or at least the Minimum Denomination of the Certificates.
3. It understands that no person has registered nor will register as a commodity pool operator of the Company under the CEA and the rules of the CFTC thereunder, and that the Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred except to a person that (A) is not a U.S. person (within the meaning of Regulation S), (B) is not a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934) and (C) is a Non-United States person (as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, but excluding for purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons), in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, and in accordance with any other applicable securities laws. The purchaser understands that the Company has not been, nor will be, registered under the Investment Company Act.
4. It understands that the Company has the right to compel any beneficial owner that is a U.S. person (as defined in Regulation S), a U.S. Person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934) or is not a Non-United States person (as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, but excluding for purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons) to sell its interest in the Certificates, or may sell such interest on behalf of such owner, at the lesser of (x) the purchase price therefor paid by the beneficial owner, (y) 100 per cent. of the principal amount thereof or (z) the fair market value thereof. In addition, the Company has the right to refuse to honour the purported transfer of any interest to a U.S. person or to a person that is not a Non-United States person.
5. Each Global Certificate, and each Non-Global Certificate issued in respect of the Certificates will bear the following legend:

THE CERTIFICATES REPRESENTED BY THIS CERTIFICATE (AND ANY INTEREST THEREIN) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF

1933, AS AMENDED (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, NO PERSON HAS REGISTERED NOR WILL REGISTER AS A COMMODITY POOL OPERATOR OF THE COMPANY UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936 (THE “**CEA**”) AND THE RULES OF THE COMMODITY FUTURES TRADING COMMISSION THEREUNDER (THE “**CFTC RULES**”), AND THE COMPANY HAS NOT BEEN NOR WILL BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”).

THE CERTIFICATES REPRESENTED BY THIS CERTIFICATE (AND ANY INTEREST THEREIN) MAY NOT AT ANY TIME BE OFFERED, SOLD, PLEDGED, DELIVERED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON THAT (A) IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”)), (B) IS NOT A U.S. PERSON (AS DEFINED IN THE CREDIT RISK RETENTION REGULATIONS ISSUED UNDER SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934) AND (C) IS A NON-UNITED STATES PERSON (AS SUCH TERM IS DEFINED IN RULE 4.7 UNDER THE CEA, BUT EXCLUDING, FOR THE PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION TO THE EXTENT THAT IT WOULD APPLY TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS), IN AN OFFSHORE TRANSACTION AND IN EACH CASE IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, AND IN ACCORDANCE WITH ANY OTHER APPLICABLE SECURITIES LAWS.

ANY INVESTOR IN THE CERTIFICATES (INCLUDING PURCHASERS FOLLOWING THE ISSUE DATE OF THE CERTIFICATES) SHALL BE DEEMED TO GIVE THE REPRESENTATIONS, AGREEMENTS AND ACKNOWLEDGMENTS SPECIFIED IN THE CONDITIONS OF THE CERTIFICATES, INCLUDING A REPRESENTATION THAT IT IS NOT, NOR IS IT ACTING FOR THE ACCOUNT OR BENEFIT OF, A PERSON WHO IS (I) A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), (II) A U.S. PERSON (AS DEFINED IN THE CREDIT RISK RETENTION REGULATIONS ISSUED UNDER SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934) OR (III) NOT A NON-UNITED STATES PERSON (AS DEFINED IN RULE 4.7 UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, BUT EXCLUDING FOR PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION TO THE EXTENT THAT IT WOULD APPLY TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS).

EACH PURCHASER UNDERSTANDS THAT EACH OF IT AND ANY ACCOUNT FOR WHICH IT MAY ACT IN RESPECT OF THE CERTIFICATES IS NOT PERMITTED TO HAVE A PARTIAL INTEREST IN ANY CERTIFICATE AND, AS SUCH, BENEFICIAL INTERESTS IN CERTIFICATES SHOULD ONLY BE PERMITTED IN PRINCIPAL AMOUNTS REPRESENTING THE DENOMINATION OF THE CERTIFICATES OR MULTIPLES THEREOF OR, WHERE APPLICABLE, AT LEAST THE MINIMUM DENOMINATION OF THE CERTIFICATES.

ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING SHALL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE COMPANY, THE TRUSTEE OR ANY INTERMEDIARY.

THE COMPANY HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER THAT IS A U.S. PERSON (AS DEFINED IN REGULATION S), A U.S. PERSON (AS DEFINED IN THE CREDIT RISK RETENTION REGULATIONS ISSUED UNDER SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934) OR IS NOT A NON-UNITED STATES PERSON (AS DEFINED IN RULE 4.7 OF THE U.S. COMMODITY EXCHANGE ACT OF 1936, BUT EXCLUDING FOR PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION TO THE EXTENT THAT IT

WOULD APPLY TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS) TO SELL ITS INTEREST IN THE CERTIFICATES REPRESENTED BY THIS CERTIFICATE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER, AT THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. IN ADDITION, THE COMPANY HAS THE RIGHT TO REFUSE TO HONOUR THE PURPORTED TRANSFER OF ANY INTEREST TO A U.S. PERSON OR TO A PERSON THAT IS NOT A NON-UNITED STATES PERSON.

6. The purchaser acknowledges that the Company, the Arranger, the Dealer, the Trustee, the Registrar and the Transfer Agent and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations or agreements made or deemed to have been made by it above is no longer accurate, it shall promptly notify the Company, the Arranger, the Dealer, the Trustee, the Registrar and the Transfer Agents.
7. It understands that any purported transfer of the Certificates to a transferee that does not comply with the requirements of paragraphs 1 and 3 above shall be null and void *ab initio*.

This Prospectus is signed for and on behalf of the Company

By  .....

*(Authorised signatory)*

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