

Aldburg S.A.

*(a public company incorporated and organised as
a securitisation company under the laws of Luxembourg)*

EUR 5,000,000,000 Asset-Based Term Note Programme

Aldburg S.A. (the "**Issuer**") is a public company (*société anonyme*) under the Act concerning commercial companies of 10 August 1915 (*Loi du 10 août 1915 concernant les sociétés commerciales*), as amended (the "**Commercial Companies Act 1915**"), organised as a securitisation company (*société de titrisation*) within the meaning of the Act relating to securitisation of 22 March 2004 (*Loi du 22 mars 2004 relative à la titrisation*), as amended (the "**Securitisation Act**"), registered in the Luxembourg Register of Commerce and Companies under number B209441.

This document (the "**Base Prospectus**") has been prepared with regard to the Issuer's EUR 5,000,000,000 Asset-Based Term Note Programme (the "**Programme**") for the issuance of series (each a "**Series**") of notes (the "**Notes**") and will be submitted for approval to the *Commission de Surveillance du Secteur Financier, Luxembourg* (the "**CSSF**"), which is the Luxembourg competent authority for the purposes of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the "**Prospectus Directive**"), and the Act relating to prospectuses for securities of 10 July 2005 (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), as amended, and other Luxembourg laws and regulations implementing the Prospectus Directive (together, the "**Prospectus Act**"). This Base Prospectus is issued for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months from the date hereof.

Under the Securitisation Act and the articles of association (*statuts*) of the Issuer (the "**Articles**"), the board of directors of the Issuer may create one or more compartments (each, a "**Compartment**"), each corresponding to a distinct part of the Issuer's assets and liabilities, such that the assets of a Compartment ("**Compartment Assets**") are exclusively available to satisfy the rights of the investors and creditors of that Compartment and that recourse of a Compartment's investors and creditors is, by law, limited to that Compartment's Compartment Assets. Each Series of Notes will be issued by a separate Compartment (that is, by the Issuer acting in respect of and on account of such Compartment) and the proceeds from such issue will be used by the relevant Compartment to purchase or otherwise acquire assets and/or to pay for or enter into any ancillary transaction (and to pay expenses), it being understood that the relevant Compartment may from time issue further Notes on the same terms as existing Notes and such further Notes shall then be consolidated and form a single Series with such existing Notes.

Any Series of Notes intended to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market operated by the Luxembourg Stock Exchange will be so admitted to listing and trading upon issue of the relevant Notes, subject to the prior submission to, filing with and approval by the Luxembourg Stock Exchange and the CSSF of the final terms and conditions of such Series (the "**Issue Terms**"). Series of Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets (including multilateral trading facilities) and the Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any

stock exchange or market and such Notes may, subject to and in accordance with the Prospectus Act, be offered to the public.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are set out in Chapter 3 (RISK FACTORS). For the avoidance of doubt, this Base Prospectus does not describe all of the risks of an investment in the Notes. The Notes are limited recourse in nature (in addition to each Series of Notes being issued by a separate Compartment of the Issuer) and no assets of the Issuer other than the relevant Compartment's assets will be available to meet any shortfall.

The Notes have not been, and will not be, registered under the United States 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 Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act ("**Regulation S**"), except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws.

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

This Base Prospectus is dated 10 November 2017 but has not been submitted to any stock exchange or to any competent authority for approval as a Prospectus under the Prospectus Directive. This Base Prospectus should not, therefore, be considered a Prospectus under the Prospectus Directive by any person.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this document and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each Series of Notes will be issued on the terms and conditions set out in Chapter 5 (TERMS AND CONDITIONS OF THE NOTES) (the "**Conditions**"), as amended and/or supplemented by the Issue Terms specific to such Series or a separate prospectus or a base prospectus supplement specific to such Series, as the case may be (such separate prospectus and/or base prospectus supplement, a "**Series Prospectus**"). This Base Prospectus must be read and construed, by the holders of the Notes (the "**Noteholders**") and others alike, together with any amendments or supplements hereto and with any information incorporated by reference herein and must be read and construed together with the relevant Issue Terms.

The Issuer has confirmed that this Base Prospectus contains all information which is material (in the context of the Programme, the issue, offering and sale of the Notes); that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

Cirdan Capital Management Ltd (the "**Arranger**") is serving in an advisory capacity to the Issuer. The Arranger may also act as a counterparty of the Issuer in any transaction pursuant to which a Compartment of the Issuer acquires the assets backing such Compartment's Series of Notes or any transaction ancillary thereto. Neither the Arranger nor any of its affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus.

Neither the delivery of this Base Prospectus or any Issue Terms nor the offering, sale or delivery of any Note shall create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof (or the date upon which this Base Prospectus has been most recently amended or supplemented) or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof (or the date upon which this Base Prospectus has been most recently amended or supplemented) or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied (or, if different, the date indicated in the document containing the same).

The Issuer does not represent that this Base Prospectus may be lawfully distributed, or that any of the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any

responsibility for facilitating any such distribution or offering. Accordingly, persons into whose possession this Base Prospectus or any of the Notes come must inform themselves about, and observe, any such restrictions. In particular, no action has been taken by the Issuer (save that it shall seek the approval of the Base Prospectus by the CSSF) which would permit a public offering of any of the Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, none of the Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any Issue Terms, advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Neither this Base Prospectus nor any Issue Terms nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should subscribe for or purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any Issue Terms nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation to any person to subscribe for or to purchase any Notes.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied pursuant to the terms of the Programme or any of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger does not undertake to review the financial condition or affairs of the Issuer during the term of the Programme.

Notes issued by the Issuer under the Programme may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market and such Notes may be offered to the public. The Issuer may agree with any person intending to acquire or acquiring the Notes that Notes may be issued in a form not contemplated by the Conditions as set out herein, in which case a Series Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

An investor intending to acquire any Notes will do so, and offers and sales of the Notes to such an investor by any person will be made, in accordance with any terms and other arrangements in place between the relevant investor and his counterparty, including as to price, allocations and settlement arrangements. In principle, the Issuer will not be a party to any such arrangements with investors and, accordingly, this Base Prospectus does not (and any Issue Terms will not) contain any information as to such arrangements for the acquisition, offer or sale of the Notes and an investor must obtain such information from his counterparty.

This Base Prospectus has been prepared on the basis that any offer to the public in any Member State of the European Union and/or the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers to the public.

This Base Prospectus will be published on the website of the Issuer (www.aldburg.com). Copies of this Base Prospectus can also be obtained (by prior appointment and during standard business hours)

at the registered office of the Issuer and the office of Citibank, N.A., London Branch (the "**Paying Agent**") at the address given at the end of this Base Prospectus.

Neither the Security Trustee (as defined in Chapter 2 (*OVERVIEW OF THE PROGRAMME*)) nor the Paying Agent, any calculation agent appointed or any custodian appointed (together, the "**Agents**") nor any of their respective directors, affiliates, advisers or agents has made an independent verification of the information contained in this Base Prospectus in connection with the issue or offering of Notes and no representation or warranty, express or implied, is made by the Security Trustee, the Agents or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information. Nothing contained in this Base Prospectus is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Security Trustee, the Agents or any of their respective directors, employees, affiliates, advisers or agents in any respect.

All references in this document to "€", "euros" and "EUR", are to the lawful currency of the Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended, and all references to "£", "pounds", "pounds sterling" and "GBP" are to the lawful currency of the United Kingdom and to "\$", "US\$", "dollars", "U.S. dollars" and "USD" are to the lawful currency of the United States of America (it being understood that this list of currencies is not meant to be exhaustive).

Contents

1	SUMMARY.....	1
2	OVERVIEW OF THE PROGRAMME	2
3	RISK FACTORS.....	7
4	DOCUMENTS INCORPORATED BY REFERENCE.....	21
5	TERMS AND CONDITIONS OF THE NOTES	22
6	SUMMARY OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM.....	40
7	FORM OF ISSUE TERMS	42
8	USE OF PROCEEDS	46
9	DESCRIPTION OF THE ISSUER.....	47
10	CIRDAN CAPITAL MANAGEMENT LTD.....	50
11	INFORMATION ON SECURITY ARRANGEMENTS (AND SWAP AGREEMENTS, IF ANY)	51
12	TAXATION	52
13	SUBSCRIPTION AND SALE	57
14	GENERAL INFORMATION.....	58

1 SUMMARY

Because this Base Prospectus relates to non-equity securities having, in principle, a denomination of at least EUR 125,000, there is no requirement for this prospectus to include a summary providing key information in a concise manner and in non-technical language.

If the Issue Terms of any given Series of Notes and consequently the Series Prospectus relating to such Series modify the Conditions as they apply to such Series and provide for a denomination of less than EUR 100,000, then the relevant Series Prospectus shall include a summary in accordance with article 5, paragraph (2) of the Prospectus Directive providing appropriate information about essential elements of the Notes concerned in order to aid investors when considering whether to invest in such Notes.

Such summary shall contain a warning that (a) it should be read as an introduction to this Base Prospectus and the relevant Series Prospectus, (b) any decision to invest in the relevant Notes should be based on consideration of the Base Prospectus and the Series Prospectus as a whole by the investor, (c) where a claim relating to the information contained in the Base Prospectus or Series Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated and (d) civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus and/or the relevant Series Prospectus.

2 OVERVIEW OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Base Prospectus and, where relevant, the Series Prospectus relating to such Series of Notes. Words and expressions defined or used in Chapter 5 (TERMS AND CONDITIONS OF THE NOTES) or in the relevant Series Prospectus shall have the same meanings herein.

Issuer:	Aldburg S.A.
Description:	EUR 5,000,000,000 Asset-Based Term Note Programme
Size:	Up to EUR 5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
Compartment Assets:	The Notes of a Series will be either secured or unsecured in the manner set out in the relevant Series Prospectus and/or the applicable Issue Terms. On any issuance of a secured Series of Notes a Custodian may be appointed by the Issuer to hold the Compartment Assets and security over, among other things, the Compartment Assets shall be granted in favour of a Security Trustee.
Other Secured Parties:	If so specified in the relevant Series Prospectus and/or the applicable Issue Terms, persons other than the Security Trustee may be entitled to the benefit of the security for a Series of Notes. The priority of each person entitled to the benefit of such security will be as specified in the relevant Series Prospectus and/or the applicable Issue Terms.
Arranger:	Cirdan Capital Management Ltd or as otherwise specified in the relevant Series Prospectus and/or the applicable Issue Terms.
Paying Agent:	Citibank, N.A., London Branch
Calculation Agent:	A calculation agent may be appointed in connection with a Series of Notes if required by the Issuer to perform calculations on interest rates or otherwise. Any such calculation agent will be specified in the relevant Series Prospectus and/or applicable Issue Terms.
Custodian (if appointed)	Citibank, N.A., London Branch has, on or around the date of this Programme, entered into a custody agreement with the Issuer (the " Custody Agreement ") in order to govern the appointment of such custodian on any secured Series of Notes where it is requested to act. The Custody Agreement shall, on any Series of Notes on which Citibank, N.A., London Branch is appointed as custodian, act as a separate agreement governing the appointment of such custodian. The Issuer may appoint any other custodian named in the relevant Series Prospectus and/or applicable Issue Terms in

relation to a Series of Notes. The Noteholders shall be deemed to have notice of and be bound by all the provisions of the Custody Agreement. The rights, discretions (if any) and obligations of the Custodian shall, notwithstanding the governing law of the Notes, be governed by English law.

Security Trustee (to be appointed on a secured Series of Notes only):	Citicorp Trustee Company Limited has, on or around the date of this Programme, entered into a security trust deed with the Issuer (the " Programme Security Trust Deed ") in order to govern the appointment of such security trustee on any secured Series of Notes where it is requested to act. The Programme Security Trust Deed shall, on any Series of Notes on which Citicorp Trustee Company Limited is appointed as security trustee, act as a separate agreement governing the appointment of such security trustee (the " Security Trust Terms "). The Issuer may appoint any other security trustee named in the relevant Series Prospectus and/or applicable Issue Terms in relation to a Series of Notes. The Noteholders shall be deemed to have notice of and bound by all the provisions of the Programme Security Trust Deed. The rights, discretions (if any) and obligations of the Security Trustee shall, notwithstanding the governing law of the Notes, be governed by English law.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis and will be in Series. The Notes in each Series will have one or more issue dates and be on terms otherwise identical (or identical other than in respect of the first payment of interest) and will be intended to be interchangeable with all other Notes of that Series.
Issue Price:	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes:	<p>The Notes will be represented by one or more global notes (each, a "Global Note") in order to be eligible for clearing and settlement. Global Notes shall be in bearer form only.</p> <p>Global Notes will be deposited with a common depository for Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking, <i>société anonyme</i> ("Clearstream").</p>
Currency:	Euro or as otherwise specified in the relevant Series Prospectus and/or the applicable Issue Terms, subject to compliance with any applicable laws and regulations.
Maturity:	The date specified in the relevant Series Prospectus and/or the applicable Issue Terms, being, in respect of Notes identified as "Pass-Through Notes", unless otherwise specified, the date falling two business days following receipt

of the consideration upon a sale of the relevant Compartment Assets (or, in case of Compartment Assets comprising loans or debt securities, the stated maturity date of the Compartment Assets).

- Denomination:** Notes will be in denominations of EUR 125,000 (one hundred twenty-five thousand euros), unless another amount or the equivalent in any other currency is specified in the relevant Series Prospectus and/or the applicable Issue Terms.
- Fixed Rate Notes:** Notes identified as "Fixed Rate Notes" in the relevant Series Prospectus and/or the applicable Issue Terms will bear interest payable in arrear on the date or dates in each year specified in such Series Prospectus and/or such Issue Terms.
- Floating Rate Notes:** Notes identified as "Floating Rate Notes" in the relevant Series Prospectus and/or the applicable Issue Terms will bear interest as specified in such Series Prospectus and/or such Issue Terms and as determined by a Calculation Agent appointed in respect of such Notes in respect of each Interest Period.
- Zero Coupon Notes:** Notes identified as "Zero Coupon Notes" in the relevant Series Prospectus and/or the applicable Issue Terms may be issued at their principal amount or at a discount to it and will (in principle) not bear interest.
- Pass-Through Notes:** Notes identified as "Pass-Through Notes" in the relevant Series Prospectus and/or the applicable Issue Terms will entitle their holders to a pro rata share of the payments received by the Issuer in respect of the Compartment Assets acquired with the net proceeds from the issue of Notes of the relevant Series, minus certain expenses and other amounts that may be owed to the Arranger, the Security Trustee and the Agents and minus any margin amount specified in such Series Prospectus and/or such Issue Terms. As specified in such Series Prospectus and/or such Issue Terms, the Issuer may redeem such Notes and can make other payments on such Notes either in cash or in kind (provided that the relevant assets are eligible for clearing and settlement through the systems of Euroclear and/or Clearstream).
- Interest Periods and Interest Rates:** The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Series Prospectus and/or the applicable Issue Terms.
- Redemption:** Each Note will be redeemed at its Redemption Amount, which unless otherwise specified in the relevant Series

Prospectus and/or the applicable Issue Terms, is its outstanding principal amount together with accrued interest on the Maturity Date specified in such Series Prospectus and/or such Issue Terms.

Optional Redemption: The Issue Terms (and Series Prospectus, if any) of each Series of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer and/or the Noteholders (either in whole or in part) and, if so, the terms applicable to such early redemption.

Mandatory Redemption: Unless otherwise specified in the relevant Series Prospectus and/or the applicable Issue Terms, not applicable.

Status of Notes and Limited Recourse: The Notes of each Series will be limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves and will be either secured or unsecured as set out in the relevant Series Prospectus and/or the applicable Issue Terms. The Notes will be obligations solely of (the relevant Compartment of) the Issuer and will not be guaranteed by, or the responsibility of, any other entity.

Recourse in respect of any Series of Notes will be limited to the relevant Compartment Assets. The net proceeds from the realisation of the Compartment Assets may be insufficient to pay all amounts due to the Noteholders and any other creditors of the relevant Compartment. No other assets of the Issuer (including without limitation assets belonging to any other Compartment) are available to make up any shortfall. In case of a shortfall, all claims in respect of the Notes of the relevant Compartment shall be extinguished and no one shall have any further claims against the Issuer in respect of any unpaid amounts.

Negative Pledge/Restrictions: The Issuer will not grant or permit to subsist any security interest upon the whole or any part of its assets having priority over and ranking ahead of any security interest described in Chapter 5 (TERMS AND CONDITIONS OF THE NOTES) (other than any lien or other security interest arising by operation of law or in the ordinary course of business and not as a result of any default or omission by the Issuer and excluding liens for taxes that are overdue and uncontested).

Withholding Tax: The Issuer shall make all payments to be made by it on any of the Notes without any deduction or withholding for or on account of tax, unless a deduction or withholding is required by law. If any withholding or deduction is imposed on payments on or in respect of the Notes, the Noteholders will not be entitled to receive grossed-up amounts nor will they be reimbursed for any shortfall.

Further Issues:	Unless otherwise provided in the relevant Series Prospectus and/or the applicable Issue Terms, the Issuer may from time to time issue further Notes of any Series on the same terms as existing Notes and such further Notes shall be consolidated and form a single series with such existing Notes of the same Series. In relation to any secured Series of Notes, any such further notes shall only form a single Series with the Notes (unless otherwise sanctioned by an Extraordinary Resolution) if the Issuer provides additional assets (as security for such further notes) which are fungible with, and have the same proportionate composition as, those forming part of the Secured Property for the Notes and in the same proportion as the proportion that the nominal amount of such new notes bears to the Notes.
Governing Law of Notes:	English law, unless otherwise specified in the relevant Series Prospectus and/or the applicable Issue Terms.
Jurisdiction:	The courts of England and Wales.
Listing:	<p>Application will be made to the Luxembourg Stock Exchange for certain Series of Notes issued under the Programme to be admitted to the Official List and trading on its regulated market or on any other stock exchange specified in the relevant Series Prospectus and/or the applicable Issue Terms.</p> <p>No assurance can be given that such listing can be obtained and/or maintained.</p> <p>Unlisted Notes may also be issued.</p>
Selling and Transfer Restrictions:	Unless otherwise specified in the relevant Series Prospectus and/or the applicable Issue Terms, not applicable.
Rating:	Unless otherwise specified in the relevant Series Prospectus and/or the applicable Issue Terms, the Notes will not be rated.
Leverage:	Any Compartment may be leveraged and/or acquire its assets on margin.

3 RISK FACTORS

3.1 General

The Notes

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

The Issuer believes that the following factors may affect its ability to fulfil its scheduled obligations under the Notes issued under the Programme. The Issuer is not in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.

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

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

The risk factors identified in this Base Prospectus are provided as general information only and the Arranger disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated therewith as may exist at the date hereof or as may from time to time alter. Additional risk factors may be set out in any Series Prospectus.

Investors

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

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 (a) the Notes are legal investments for him, and/or (b) other restrictions apply to his purchase of any Notes. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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

No strict fiduciary role

Neither one of the Issuer, the Arranger, the Agents and the Security Trustee (or any of their respective affiliates) is acting as an investment adviser to Noteholders or as an adviser to Noteholders in any other capacity, and neither one of them (or any of their respective affiliates) assumes any fiduciary obligation to any Noteholder or any other party (other than the Security Trustee in its capacity as security trustee for itself and the other secured creditors identified in the relevant Issue Terms and then only on the Security Trust Terms, being the specific terms governing the appointment of such security trustee).

Neither one of the Issuer, the Arranger, the Agents and the Security Trustee assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Compartment Assets or the terms thereof (or of any swap counterparty or the terms of any swap agreement).

Investors may not rely on the views of the Issuer, the Arranger, the Agents or the Security Trustee (or any of their respective affiliates) for any information in relation to any person.

No reliance

A prospective investor may not rely on the Issuer, the Arranger, the Agents or the Security Trustee (or any of their respective affiliates) in connection with his determination as to the legality of his acquisition of the Notes or as to any of the other matters referred to above.

No representations

Neither one of the Issuer, the Arranger, the Agents and the Security Trustee (or any of their respective affiliates) makes any representation or warranty, express or implied, in respect of any (a) Compartment Assets or in respect of any information contained in any documents prepared, provided or filed in respect of such Compartment Assets with any exchange, governmental, supervisory or self-regulatory authority or any other person, (b) issuer or obligor of any Compartment Assets or in respect of any information contained in any documents prepared, provided or filed by or on behalf of such issuer or obligor with any exchange, governmental, supervisory or self-regulatory authority or any other person, (c) relevant swap counterparty or in respect of any information contained in any documents prepared, provided or filed in respect of such party with any exchange, governmental, supervisory or self-regulatory authority or any other person or (d) relevant swap agreement or in respect of any information contained in any documents prepared, provided or filed in respect of such agreement with any exchange, governmental, supervisory or self-regulatory authority or any other person.

Neither the Arranger nor the Agents or the Security Trustee makes any representation or warranty, express or implied, in respect of the Issuer or in respect of any information contained in any documents prepared, provided or filed by or on behalf of the Issuer.

3.2 Risks relating to the Issuer

The Issuer is a special purpose company

The Issuer is in the business of issuing Notes for the purposes of purchasing or otherwise acquiring assets and/or entering into derivatives and other contracts with the issue proceeds. As such, no Compartment of the Issuer will have any assets other than the assets acquired with the net proceeds from the issue of Notes by such Compartment and the assets received by the relevant Compartment from time to time in respect of the foregoing assets.

Compartment Assets may decline in value and the relevant Compartment may have to sustain a total loss of investment in its Compartment Assets.

Securitisation Act and Compartments

The Issuer is organised as a securitisation company under the Securitisation Act with several Compartments.

This means that, under the Securitisation Act, the Articles and the Conditions as amended and/or supplemented by any applicable Issue Terms, claims against the Issuer by the holders of Notes of any Series will be limited to the Compartment Assets (including the net proceeds of the security created pursuant to the applicable Security Trust Terms and/or any additional security) of the Compartment that issued that particular Series of Notes.

It also means that (a) each Compartment is a separate and distinct part of the Issuer's estate (*patrimoine*), such that any Compartment's Compartment Assets are exclusively available to satisfy the rights of the holders of Notes issued by and other creditors of that Compartment (and not of other creditors of the Issuer) and that, conversely, recourse of a Compartment's Noteholders and other creditors is limited to the Compartment Assets of that Compartment and (b) the fees, costs and expenses in relation to a Series of Notes are fees, costs and expenses of the Compartment that issued the relevant Series of Notes.

However, under the Conditions, the Issuer's general expenses and liabilities, which do not specifically relate to any Compartment or which otherwise relate to the uncompartimentalised core of the Issuer, may be apportioned between the Compartments by the Issuer's board of directors. Any such apportionment will reduce the amounts that would otherwise have been payable in respect of the Notes of any Series.

No action against the Issuer

Under the Conditions, subject to and in accordance with article 64, paragraph (1) of the Securitisation Act, no Noteholder can attach property of the Issuer or apply for bankruptcy of the Issuer or request the opening of any other collective or restructuring proceedings in respect of the Issuer.

Exposure to competing claims of other creditors

Noteholders may be exposed to competing claims of other creditors of the Issuer (even if such creditors are not creditors of the Compartment that issued the relevant Series of Notes) if the compartmentalisation of the Issuer as provided for in the Securitisation Act is ignored, disapplied or otherwise not recognised by any court, foreign or domestic. If, as a result, a shortfall arises, such shortfall may be borne by the Noteholders.

Likewise, Noteholders may be exposed to an attachment of property of the Issuer or the opening of any bankruptcy or other collective or restructuring proceedings in respect of the Issuer, for example if the non-attachment and non-petition provisions of the Securitisation Act, as repeated in the Conditions, are ignored, disapplied or otherwise not recognised by any court, foreign or domestic.

Fees and expenses

In relation to any Series of Notes, fees and expenses (including fees payable to the Arranger, the Agents and the Security Trustee) as set out in the applicable Issue Terms, may rank senior to payments of principal and interest on the Notes of such Series.

Requirement for the Issuer to be licensed or authorised

The Issuer is not required to be licensed or authorised under any current Luxembourg laws or regulations. There is no assurance, however, that any Luxembourg regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorised under the laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse impact on the Issuer or the holders of Notes of any Series.

Anti-money laundering

The Issuer may be subject to anti-money laundering legislation in its jurisdiction of incorporation. If the Issuer were determined to be in violation of any such legislation, any such violation could materially and adversely affect payments made by the Issuer in respect of any Notes.

No registration under U.S. securities laws

The Issuer has not registered with the U.S. Securities and Exchange Commission as an investment company pursuant to any U.S. securities laws. If the U.S. Securities and Exchange Commission or a court of competent jurisdiction were to find that the Issuer is required to register but, in violation of applicable law, had failed to register as an investment company, possible consequences include the U.S. Securities and Exchange Commission applying to a court to enjoin the violation and/or investors suing the Issuer and recovering any damages caused by the violation. In any such instance the Issuer would be materially and adversely affected.

Consequences of winding-up proceedings

If the Issuer fails for any reason to meet its obligations or liabilities (that is, if the Issuer is unable to pay its debts and cannot obtain further credit), a creditor, who has not (and is not deemed to have) accepted non-petition and limited recourse provisions in respect of the Issuer, may be entitled to make an application for the commencement of insolvency proceedings against the Issuer. In that case, such creditor would however not have

recourse to the assets of any Compartment created by the Issuer but would have to exercise its rights against the general assets (if any) of the Issuer unless such rights arise in connection with the "creation, operation or liquidation" of a Compartment, in which case, the creditor would have recourse to the assets of such Compartment but he would not have recourse to the assets of any other Compartment. Furthermore, the commencement of such proceedings may, in certain conditions, entitle creditors to terminate contracts with the Issuer and claim damages for any loss created by such early termination. The Issuer will seek to contract only with parties who agree not to make application for the commencement of winding-up, liquidation and bankruptcy or similar proceedings against the Issuer. Legal proceedings initiated against the Issuer in breach of these provisions will, in principle, be declared inadmissible by a Luxembourg court.

3.3 Risks relating to the Notes

Limited recourse obligations

The Notes are expressed to be limited recourse in nature. Payments due in respect of the Notes of any Series will be made solely out of amounts received by or on behalf of the Compartment of the Issuer in respect of its Compartment Assets. The relevant Compartment of the Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes issued by it. If the proceeds of the realisation of any security received by the Security Trustee for the benefit of the holders of Notes of any given Series proves insufficient to make payments on or deliveries under such Notes, as the case may be, no other assets will be available for payment or delivery in respect of the shortfall, and, following distribution of the proceeds of such realisation, any outstanding claim against the Issuer in relation to such Notes shall be extinguished and no debt shall be owed by the Issuer in respect thereof.

Security

Subject to the relevant Series Prospectus and/or the applicable Issue Terms, the Notes of any Series can have the benefit of English law security over the assets of the relevant Compartment and the rights of the Issuer under the Transaction Documents (as defined in the Conditions) relevant to such Series of Notes which are granted to the Security Trustee (in its capacity as security trustee for itself and the other secured creditors identified in the relevant Issue Terms for a specific Series).

Only the Security Trustee may enforce such a security interest in any Compartment Assets and no Noteholder shall be entitled to proceed directly against the Issuer in relation to the security unless the Security Trustee, having become bound to proceed in accordance with the Security Trust Terms, fails to do so within a reasonable period and such failure is continuing.

Meetings of Noteholders, written resolutions, modifications and waivers

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain written resolutions on matters relating to the Notes from Noteholders without calling a meeting.

A written resolution signed by or on behalf of the holders of more than 50% in principal amount of the Notes then outstanding or a resolution passed by electronic consents in accordance with the rules and procedures of the relevant clearing systems by or on behalf

of the holders of more than 50% in principal amount of the Notes then outstanding will, for all purposes, be deemed to be a resolution passed a meeting of noteholders.

The Issuer may also agree amendments to the Notes and the Conditions without the consent of the Noteholders (a) for the purpose of curing any ambiguity or for curing, correcting or supplementing any defective provision contained in the Conditions or (b) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes of that Series. In addition, the parties to the Agency Agreement, the Custody Agreement and/or any Calculation Agency Agreement may agree to modify any provision thereof but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

If a Security Trustee has been appointed in relation to a Series of Notes, the consent of the Security Trustee will be required to amend any Transaction Document that the Security Trustee is a party to or under which it has assigned rights as part of the Security for such Series and such consent shall only be given by the Security Trustee in accordance with the Security Trust Terms.

No gross-up

In the event that any withholding tax or deduction for tax is imposed on payments on or in respect of the Notes (as a result of CRS, FATCA or otherwise), the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall.

Early redemption

If so provided in the relevant Issue Terms, the Notes of any Series may be redeemed on a date other than the fixed maturity date. Subject to the Issue Terms, any such redemption of notes shall be at their redemption amount together with interest accrued to the date fixed for redemption (where relevant). In addition, the holders of Notes of any Series have the right to direct a redemption of the Notes of such Series upon the occurrence of an event of default with respect to the Notes of such Series.

In such circumstances, the Issuer may be required to liquidate some or all of the relevant Compartment Assets and/or the relevant security may have to be enforced.

Market value of Notes

The market value of the Notes will be affected by a number of factors, including, but not limited to (a) the value and volatility of the Compartment Assets and the creditworthiness of the issuers of any Compartment Assets and/or the obligors of any Compartment, (b) the value and volatility of any index, securities, commodities or other obligations to which payments on the Notes may be linked, directly or indirectly, and the creditworthiness of the issuers or obligors in respect of any securities or other obligations to which payments on the Notes may be linked, directly or indirectly, (c) market perception, interest rates, yields and foreign exchange rates, (d) the time remaining to the maturity date of the Notes and (e) the nature and liquidity of any swap agreement or any other derivative transaction entered into by the Issuer or embedded in the Notes or the Compartment Assets. Any price

at which Notes may be sold prior to their maturity date may be at a discount, which could be substantial, to the value at which the Notes were acquired on the Issue Date.

Prospective purchasers should be aware that not all market participants would determine prices in respect of the Notes in the same manner, and the variation between such prices may be substantial.

Notes held in a clearing system

Because the Global Notes are to be held by or on behalf of Euroclear and/or Clearstream, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Euroclear and/or Clearstream, as the case may be, will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, as the case may be.

Because the Notes are represented by one or more Global Notes, the Issuer will discharge its payments obligations under the Notes by making payments to Euroclear and/or Clearstream, as the case may be, for distribution to their accountholders. A holder of an interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, as the case may be, to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in Global Notes.

3.4 Risks relating to Compartment Assets

Realisation of Compartment Assets

The Compartment Assets underlying any Series of Notes may be subject to a variety of risks including credit, liquidity and interest rate risks. In the event of an insolvency of an obligor of any Compartment, various insolvency and related laws applicable to such obligor may (directly or indirectly) limit the amount the Issuer or the Security Trustee may recover in case of liquidation of the Compartment Assets on redemption of the relevant Series.

Noteholders should be aware that they may be exposed to fluctuations in the market price of the Compartment Assets underlying any Series of Notes. There can be no assurance as to the amount of proceeds of any sale or realisation of Compartment Assets as the market value of such Compartment Assets will be affected by a number of factors including the creditworthiness and financial condition of any obligor of the relevant Compartment, volatility of financial markets, general economic conditions, domestic and international political events, trends in a particular industry, interest rates, yields and foreign exchange rates, the time remaining to the scheduled maturity of Compartment Assets and the liquidity of the Compartment Assets.

The price at which Compartment Assets are sold or realised may therefore be at a substantial discount to the market value and/or the principal amount of Compartment Assets on the issue date and the proceeds of any such sale or realisation may not be sufficient, following deduction of amounts to be paid to prior ranking claimants, to repay the principal and interest on the relevant Notes that the holders of such Notes would

expect to receive in the event that the Notes were redeemed in accordance with their terms on their maturity date.

Noteholders should recognise that Noteholders bear a risk of a default of the Compartment Assets as well as any decline in value of the Compartment Assets. If the value of any Compartment Assets has declined since the date of purchase, the Notes may decline in value and Noteholders should be prepared to sustain a total loss of Noteholders' investment in the Notes.

Illiquid Compartment Assets

The Compartment Assets may comprise or include privately placed, unlisted securities or domestic securities or other assets which are not admitted to any trading market and which are not readily realisable.

Country and regional risk

The price and value of Compartment Assets, and/or the ability of any issuer of Compartment Assets to perform its obligations, may be influenced by the political, financial and economic stability of the country and/or region in which the issuer of the Compartment Assets or the obligor of the relevant Compartment is incorporated or has its principal place of business or of the country in the currency of which the Compartment Assets are denominated. The value of securities and other assets issued by entities located in, or governments of, emerging market countries is generally more volatile than the value of similar assets issued by entities in well-developed markets. However, in certain cases the price and value of assets originating from countries not ordinarily considered to be emerging markets countries may behave in a manner similar to those of assets originating from emerging markets countries.

Substitution of Compartment Assets

The terms of the Notes may provide that the Compartment Assets may be substituted or replaced at the direction of the Issuer.

Credit risk of counterparties

In certain cases, the security for the Notes (if any) may be limited to the claims of the Issuer against an obligor under an agreement entered into by the Issuer in relation to such Notes and in such circumstances Noteholders will be exposed to the risk of the obligor.

Provision of information

The Issuer, the Arranger, the Agents and the Security Trustee, whether by virtue of the types of relationships described herein or otherwise, may possess information in relation to any obligor of a Compartment or any entity that is or may be material in the context of Pass-Through Notes (as defined below) or other Notes and that may or may not be publicly available or known to the Noteholders or any other person.

The Notes will not create any obligation on the part of any of the Issuer, the Arranger, the Agents or the Security Trustee to disclose any such relationship or information (whether or not confidential).

3.5 Risks relating to the Paying Agent and the Security Trustee

Indemnity and remuneration

In certain circumstances, the Noteholders may be dependent on the Security Trustee to take certain actions in respect of a Series of Notes, in particular if the security in respect of such Series (if any) becomes enforceable.

Prior to taking such action, the Security Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction. If the Security Trustee is not indemnified and/or secured and/or pre-funded to its satisfaction it may decide not to take such action and such inaction will not constitute a breach by it of its obligations under the Security Trust Terms. Consequently, the Noteholders would have to either arrange for such indemnity and/or security and/or pre-funding or accept the consequences of such inaction by the Security Trustee. Noteholders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any such inaction by the Security Trustee.

So long as any Note is outstanding, the Issuer shall pay the Agents and the Security Trustee remuneration for their services. Such remuneration may reduce the amount payable to Noteholders.

A Security Trustee shall only be appointed in relation to a secured Series of Notes. To the extent that a Series of Notes is unsecured, each Noteholder shall be solely responsible for the enforcement of its rights under the Transaction Documents and shall not be entitled to request any Agent to take action on its behalf.

Priority of claim

During the term of the Notes and on an enforcement of the security granted by the Issuer in favour of the Security Trustee (if any), the rights of the Noteholders to be paid amounts due under the Notes may be subordinated to the fees, costs, charges, expenses and liabilities due and payable to the Security Trustee and the Agents including costs incurred in the enforcement of the security and the Security Trustee's remuneration and the remuneration of the Agents.

3.6 Risks relating to other parties

Risks relating to the Paying Agent

Any payments and/or deliveries made to Noteholders in accordance with the Conditions will be made by the Paying Agent on behalf of the Issuer. Pursuant to the agency agreement in respect of the Notes by and between the Issuer and the Paying Agent (the "**Agency Agreement**"), the Issuer is to transfer to the Paying Agent such amount as may be due under the Notes, on or before each date on which such payment and/or deliveries in respect of the Notes becomes due.

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

in respect of the performance of its obligations under the Agency Agreement to make or facilitate payments to Noteholders.

Risks relating to the Calculation Agent

The Calculation Agent (if any) shall have no obligations to the Noteholders, and shall only have the obligations expressed to be binding on it pursuant to its appointment terms. All designations and calculations made by the Calculation Agent in respect of any Notes shall be conclusive and binding on the Noteholders.

If by any reason the Calculation Agent's appointment is terminated and the Issuer will be required to appoint a replacement institution to take its place, such replacement may delay certain determinations and related payments and/or deliveries on the Notes and there is no guarantee that any replacement will be found. Any delay or failure to appoint such a replacement may have adverse consequences for the Noteholders.

Application of negative interest rates

Negative interest rates may apply from time to time in certain circumstances to any cash funds held by the Custodian on behalf of the Issuer. To the extent that such negative interest rates were to apply, the amount of cash collateral held by or on behalf of the Issuer would be reduced.

Custodian

Compartment Assets in the form of cash or transferable securities may be held in an account of the Custodian in the name of the Issuer. Where the Compartment Assets consist of assets other than cash or transferable securities, they may be held in the name of the Issuer or under the control of the Custodian (to the extent appointed in respect of a Series of Notes) or in such other manner as is approved by the Security Trustee (acting on instructions pursuant to the Security Trust Terms). The ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes. Consequently, the Noteholders are relying on the ability of the Custodian to perform its obligations under the Custody Agreement.

Any cash deposited with the Custodian by the Issuer and any cash received by the Custodian for the account of the Issuer in relation to a Series will be held by the Custodian as banker and not as trustee. Accordingly, such cash will not be held as client money and will represent only an unsecured claim against the Custodian's assets.

Credit Risk

Under the Custody Agreement the Issuer authorises the Custodian (to the extent appointed in respect of a Series of Notes) to hold certain Compartment Assets in the Custodian's account or accounts with any sub-custodian, any securities depository or at such other account keeper or clearing system as may be appropriate for the type of instruments which comprise the Compartment Assets. Where the Compartment Assets are held with a sub-custodian, the Custodian will only be liable for losses of such sub-custodian where the Custodian failed to exercise due care and skill in the appointment of such sub-custodian. Where the Compartment Assets are held with a securities depository or clearing system (whether via the Custodian, a sub-custodian or otherwise), the ability of the Issuer to meet

its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes (if the Compartment Assets are so held) and, in turn, the Custodian (and any applicable sub-custodian) will be dependent (in whole or in part) upon receipt of payments from such, securities depository or clearing system. Consequently, the Noteholders are relying not only on the creditworthiness of the Compartment Assets and the Custodian in respect of the performance of its obligations under the Custody Agreement for such Notes (and any obligations of any sub-custodian under or pursuant to the Custody Agreement or otherwise), but also on the creditworthiness of any securities depository or clearing system holding the Compartment Assets deposited by the Custodian or any sub-custodian.

Lien

Pursuant to their terms of engagement, sub-custodians, security depositories or clearing systems may have liens or rights of set-off with respect to the Compartment Assets held with them in relation to any of their fees and/or expenses. If, for whatever reason, the Custodian fails to pay such fees and/or expenses, the relevant subcustodian, security depository or clearing system may exercise such lien or right of set-off, which may result in the Issuer failing to receive any payments due to it in respect of the Compartment Assets, and thereby adversely affecting the ability of the Issuer to meet its obligations with respect to the Notes. Therefore, the ability of the Issuer to meet its obligations with respect to the Notes will not only be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes (if the Compartment Assets is so held) but will also be dependent on any sub-custodian, security depository or clearing system not exercising any lien or right of set-off in respect of any Compartment Assets that it holds. Consequently, the Noteholders are relying not only on the creditworthiness of the Compartment Assets, but also on the creditworthiness of the Custodian in paying when due any fees or expenses of such sub-custodian, security depositories or clearing systems (or the ability of the Issuer to pay such amounts due to the Custodian and/or the sub-custodians, security depository or clearing system).

Calculation Agent calculations and determinations

The Calculation Agent (to the extent appointed in respect of a Series of Notes) shall act in good faith and a commercially reasonable manner when making any determinations or calculations under the Conditions in relation to the Notes. Any determinations made by the Calculation Agent in relation to the Notes shall (in the absence of manifest error) be binding, final and conclusive. In making calculations and determinations with regard to the Notes, there may be a difference of interest between the investors and the Calculation Agent. The Calculation Agent is required to act in good faith and in a commercially reasonable manner but does not have any obligations of agency or trust for any investors and has no fiduciary obligations towards them. In particular the Calculation Agent and its affiliated entities may have interests in other capacities (such as other business relationships and activities).

3.7 Risks relating to the market

General

In the past years, the global economy has experienced high levels of instability and financial crisis, led to a general tightening of available credit and liquidity in the global financial markets, lowering of credit rates, etc.

No assurance can be given that any recovery will be sustained or that certain economies will not encounter a long-lasting recession, accumulation of public debt and meeting credit defaults, further aggravating the global crisis.

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

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

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

Change of law

The terms and conditions of the Notes (including any non-contractual obligations arising therefrom or connected therewith) are based on relevant laws in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such laws, or the official application or interpretation of such laws or administrative practices after the date of this Base Prospectus.

Regulatory risk

The global financial crisis led to an increased regulation of financial activities. The United States of America, the European Union and other jurisdictions have implemented, and are still in the process of implementing, various reform measures. Such regulatory changes and the method of their implementation may have a significant effect on the operation of financial markets. In many cases, it is uncertain how such regulatory reform would affect the Issuer, the treatment of instruments such as the Notes or the activities of other parties that have roles with respect to the Notes, such as (if and where relevant) any swap counterparty, the Arranger, the Paying Agent and the Security Trustee. In addition, governments have shown an increased willingness, wholly or partially to nationalise financial institutions, corporates and other entities in order to support the economy. Such nationalization may impact adversely on the value of the equity or the obligations of any such entity. In addition, in order to effect such nationalization, existing obligations or equity might have their terms mandatorily amended or be forcibly redeemed. To the extent that the any relevant person or entity connected with the Notes is subject to nationalization or other government intervention, it may have an adverse effect on a holder of a Note.

Currency risk

An investment in Notes denominated or payable in a currency other than the currency of the jurisdiction of a particular Noteholder, entails significant risks that are not associated

with a similar investment in Notes denominated and/or payable in the noteholder's currency. These risks include, but are not limited to:

- (a) the possibility of significant market changes in rates of exchange between the Noteholder's currency and the currency in which the Notes are denominated and/or payable;
- (b) the possibility of significant changes in rates of exchange between the Note holder's currency and the currency in which the Notes are denominated and/or payable resulting from the official redenomination or revaluation of the currency; and
- (c) the possibility of the imposition or modification of foreign exchange controls by either the jurisdiction of the purchaser or foreign governments.

Investor suitability

Prospective investors who consider purchasing the Notes should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances. Investment in the Notes may only be suitable for investors who:

- (a) have substantial knowledge and experience in financial, business matters and expertise in assessing credit risk which enable them to evaluate the merits and risks of an investment in the Notes and the rights attaching to the Notes;
- (b) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time;
- (c) are acquiring the Notes for their own account (as principal and not as agent) for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (d) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

Independent review and advice

Each prospective purchaser of the Notes must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer, any swap counterparty and any relevant obligor in respect of the Compartment Assets and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice)) as it deems appropriate under the circumstances, to assess the economic, social and political condition of the jurisdiction in which each relevant obligor is located and determine whether an investment in the Notes is appropriate in its particular circumstances.

In so doing, and without limiting the generality of the preceding paragraph, such prospective purchaser must determine that its acquisition and holding of the Notes (a) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (b) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether it is acquiring the Notes as principal or in a fiduciary capacity) and (c) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary),

notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. None of the Issuer, the Arranger, the Paying Agent, the Security Trustee or any of their respective affiliates is acting as an investment adviser, or assumes any fiduciary obligation, to any purchaser of Notes (other than the Security Trustee as collateral taker under any applicable security agreement securing the obligations owed by a Compartment to the Noteholders of such Compartment).

Neither this Base Prospectus nor any Issue Terms is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or as constituting an invitation or offer that any recipient of this Base Prospectus or any Issue Terms should purchase any of the Notes. The Arranger, the Paying Agent and the Security Trustee expressly do not undertake to review the financial condition, creditworthiness or affairs of any relevant obligor(s).

Limited liquidity of the Notes

Although application may be made to admit the Notes to trading on a stock exchange, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes. Consequently, any investor in the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes.

There may be less liquidity in any secondary market for the Notes if the Notes are exclusively offered to the public and not to institutional investors. In addition, any secondary market price for the Notes may not reflect any embedded fees and/or other additional costs or inducements included in the price paid for the Notes by initial investors.

Listing may be discontinued

The Issuer may discontinue any listing of the Notes or the Notes may be listed on another stock exchange or exchanges (which may or may not be EEA Regulated Markets and may or may not be in Western Europe). This could have adverse consequences for the Noteholders.

Impact on credit

The events outlined above have negatively affected the creditworthiness of a number of entities or governments, in some cases to the extent of collapse or requiring rescue from governments or international or supra-national bodies. Such credit deterioration has and may continue to be widespread. The value of the Notes or of the amount of payments and/or deliveries on them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have in some cases been *de minimis* and that similarly low recovery levels may be experienced with respect to other entities or governments in the future, which may have adverse consequences for the Noteholders. Prospective investors should also consider the impact of a default by the Arranger, the Paying Agent and/or the Security Trustee, and possible delays and costs in being able to access property held with a failed custodian, sub-custodian, security depository or clearing system.

4 DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in accordance with the articles of association of the Issuer set out in its deed of incorporation dated 30 September 2016, a copy of which is available on the website of the Issuer (www.aldburg.com) and can also be obtained at the registered office of the Issuer at the address given at the end of this Base Prospectus.

Any relevant Series Prospectus is hereby incorporated by reference and repeated as if set out in this Base Prospectus.

5 TERMS AND CONDITIONS OF THE NOTES

*These (other than the sections herein which are set out in italics) are the terms and conditions ("**Conditions**") of the notes to be issued from time to time ("**Notes**") by Aldburg S.A. (the "**Issuer**"), a Luxembourg public company organised as a securitisation company within the meaning of the Act relating to securitisation of 22 March 2004, as amended (the "**Securitisation Act**"), availing itself of separate compartments (each, a "**Compartment**"). Definitions contained in this italicised paragraph shall be incorporated into the Conditions.*

The Notes will be identified as forming different series (each, a "**Series**"), each of which will comprise Notes bearing interest (if any) on the same basis and at the same rate and on identical terms and which are issued by the Issuer on the same date (save for Notes that are consolidated and form a single Series with Notes of a later date).

Each Series will be issued by a separate Compartment of the Issuer (that is, by the Issuer acting in respect of and on account of such Compartment) and these Conditions apply separately to each such Series of Notes. References in these Conditions to "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Issuer's EUR 5,000,000,000 Asset-Based Term Note Programme (the "**Programme**").

The first Notes of any single Series are constituted by and are initially subscribed for pursuant to an issue deed (the "**Issue Deed**") (i) setting out the final terms and conditions (which may amend or supplement these Conditions) of such Series (the "**Issue Terms**"); (ii) setting out the subscription terms between the Issuer and the Arranger (as defined below); (iii) constituting the Security (if any) for the Series of Notes; (iv) appointing any calculation agent relevant to such Series of Notes; and (v) to the extent agreed, amending or supplementing the Custody Agreement, Programme Security Trust Deed or Agency Agreement in respect of such Series of Notes (each as defined below), by and between (among others) the Issuer acting in respect of and on account of the relevant Compartment and Cirdan Capital Management Ltd (or any additional or other arrangers named therein) (the "**Arranger(s)**"). These Conditions apply in relation to the Notes of any Series as completed, modified and amended by the provisions of the applicable Issue Terms (and each reference herein to a specific provision is to such provision as so completed, modified or amended).

These Conditions apply to Notes in global form as completed, modified and amended by the provisions of the Issue Terms and by the provisions of the relevant Global Note (as defined below).

The Issuer and Citibank, N.A., London Branch (the "**Paying Agent**") have entered into an agency agreement in respect of the Programme (the "**Agency Agreement**") which may be amended, modified or supplemented from time to time in respect of an individual series of Notes (including by way of the Issue Deed) and which shall constitute a separate agency agreement in respect of each Series of Notes issued under the Programme.

The Issuer and Citibank, N.A., London Branch (the "**Custodian**") have entered into a custody agreement in respect of the Programme (the "**Custody Agreement**") which may be amended, modified or supplemented from time to time in respect of an individual secured series of Notes (including by way of the Issue Deed) and which shall constitute a separate custody agreement in respect of an individual secured Series of Notes to the extent the Issuer deems it necessary to appoint a Custodian in respect of such Series. A Custody Agreement will only apply to a secured Series of Notes. The Issuer may, in its discretion, choose to appoint a different entity as custodian on a secured Series of Notes and, where it does so, shall enter into custody appointment terms with

such custodian (and such appointment terms shall be deemed to be a Custody Agreement for the purposes of these Conditions).

The Issuer may, to the extent it deems it necessary to do so, enter into a calculation agency agreement (the "**Calculation Agency Agreement**") with a calculation agent (a "**Calculation Agent**") in respect of an individual series of Notes.

The Issuer and Citicorp Trustee Company Limited (the "**Security Trustee**") have entered into a security trust deed in respect of the Programme (the "**Programme Security Trust Deed**") which may be amended, modified or supplemented from time to time in respect of an individual secured series of Notes (including by way of the Issue Deed) and which shall constitute a separate security trust deed (the "**Security Trust Terms**") in respect of each secured Series of Notes issued under the Programme. Security Trust Terms will only apply to a secured Series of Notes. The Issuer may, in its discretion, choose to appoint a different entity as security trustee on a secured Series of Notes and, where it does so, shall enter into security trustee appointment terms with such security trustee (and such appointment terms shall be deemed to be Security Trust Terms for the purposes of these Conditions).

Copies of the Issue Deed, the respective Issue Terms and the documents incorporated by reference herein and therein, including the provisions of the Agency Agreement, the Custody Agreement, any Calculation Agency Agreement and any Security Trust Terms (as well as the Programme Security Trust Deed), are available for inspection during normal office hours at the registered office of the Issuer in Luxembourg and (by prior appointment by a Noteholder) at the office of the Paying Agent in the United Kingdom. The holders of the Notes are deemed to have notice of, and shall be bound by, all of the provisions of the aforementioned relevant documents and any other documents entered into in connection with the Notes as well as the articles of association of the Issuer, in each case as amended and restated from time to time.

1 Definitions and interpretation

1.1 In these Conditions:

"Agents" means the Paying Agent and any Custodian and/or Calculation Agent appointed in respect of a Series of Notes;

"Business Day" means in the case of euro, a day on which the TARGET System is open for the settlement of payments in euro and, in the case of a currency other than euro, a day other than a Saturday or Sunday on which banks and foreign exchange markets settle payments in the principal financial centre for such currency;

"Commercial Companies Act 1915" means the Act concerning commercial companies of 10 August 1915 (*Loi du 10 août 1915 concernant les sociétés commerciales*), as amended;

"Compartment Assets" means the Issuer's rights, title and/or interests in and to the assets purchased or otherwise acquired by a Compartment of the Issuer with the net proceeds from the issue of a given Series of Notes together with all other assets of such Compartment, including without limitation all payments received by the relevant Compartment from time to time in respect of such assets;

"Equivalent Obligations" means any Obligations that are issued in fungible form and that share common terms and conditions;

"Event of Default" means each of the following events or circumstances:

- (a) the Issuer does not pay on the due date any amount payable pursuant to these Conditions and the applicable Transaction Documents at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within ten Business Days of its due date;
- (b) the Issuer does not comply with any provision of these Conditions and the applicable Transaction Documents other than those referred to in paragraph (a) above, unless the failure to comply is capable of remedy and is remedied within ten Business Days of the Issuer becoming aware of the failure to comply;
- (c) any express representation or statement made by the Issuer in the applicable Transaction Documents or any other document delivered by or on behalf of the Issuer under or in connection with the Notes is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- (d) the relevant Compartment of the Issuer is unable or admits inability to pay its debts as they fall due or suspends making payments on any of its debts; or
- (e) it is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents;

"Interest Commencement Date" means the issue date of the Notes or such other date as may be specified as such in the applicable Issue Terms;

"Interest Payment Date" means (a) in respect of a Pass-Through Note, unless otherwise specified in the applicable Issue Terms, the day falling two Business Days after each date on which any payment is received by the Issuer in respect of the Compartment Assets and (b) in respect of any other Note, each date specified as such in the applicable Issue Terms or if none is specified, the last day of each Interest Period;

"Interest Period" means each period determined in accordance with the applicable Issue Terms, not extending beyond the Maturity Date; provided that if any such period would otherwise end on a day which is not a Business Day, unless otherwise specified in the applicable Issue Terms, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not);

"Interest Rate" means the rate of interest payable from time to time in respect of the Notes and which is specified in, or calculated in accordance with the provisions of, the applicable Issue Terms;

"Maturity Date" means (a) in respect of a Pass-Through Note, unless otherwise specified in the applicable Issue Terms, the date falling two Business Days following receipt of the consideration upon a sale of the Compartment Assets (or, in case of Compartment Assets comprising loans or debt securities, the stated maturity date of the Compartment Assets) and (b) in respect of any other Note, the date specified in the applicable Issue Terms;

"Meeting of Noteholders" means a meeting of the Noteholders held in accordance with the Agency Agreement;

"Noteholder" means a holder of one or more Notes save that, for so long as such Notes or any part thereof are represented by a global note deposited with a common depository for Euroclear and Clearstream, Luxembourg or, in respect of Notes in definitive form held in an

account with Euroclear or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear, and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) as the holder of a particular principal amount of the Notes shall be deemed to be the holder of such principal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of the Transaction Documents other than with respect to the payment of principal or interest on such principal amount of such Notes, the rights to which shall be vested, as against the Issuer and the Security Trustee, solely in such common depositary and for which purpose such common depositary shall be deemed to be the holder of such principal amount of such Notes in accordance with and subject to its terms and the provisions of the Transaction Documents;

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

"Pass-Through Notes" has the meaning ascribed thereto in Condition 9.1 below;

"Potential Default" means an event which, with notice or lapse of time or both, would constitute an Event of Default;

"Redemption Amount" means (a) in respect of a Pass-Through Note, unless otherwise specified in the applicable Issue Terms, an amount equal to the value of the Compartment Assets as determined by the Issuer in a commercially reasonable manner (minus any specified margin amount) and (b) in respect of any other Note, unless otherwise specified in the applicable Issue Terms, the outstanding nominal amount of such Note;

"Relevant Currency" means the currency specified as such in the applicable Issue Terms or if none is specified, euro;

"Secured Creditors" means the Security Trustee, the Agents, the Noteholders and each other person named as such in the Security Trust Terms or the Issue Deed;

"Secured Property" means the assets, rights, property and sums secured pursuant to the Transaction Documents including the Compartment Assets, all cash held by the Issuer in respect of the Series, all rights and interest of the Issuer under the Agency Agreement, the Custody Agreement and the other Transaction Documents and any other rights, title and interest charged or assigned or secured in favour of the Security Trustee pursuant to the Transaction Documents (as the case may be), in each case securing the Issuer's payment obligations to the Secured Creditors under the relevant Series;

"Security" means the security constituted by the Issue Deed (including any covenants, representations or undertakings given in favour of the Security Trustee under the Security Trust Terms) for a specific Series of Notes and/or any other security documents (a **"Security Document"**) in respect of such Notes which creates or purports to create security in favour of the Security Trustee for the benefit of the Secured Creditors;

"Transaction Documents" means the Notes, the Conditions, the Issue Deed (including the Issue Terms), the Agency Agreement, any Custody Agreement, any Calculation Agency

Agreement (in each case in respect of any Series of Notes), the Security Trust Terms, any deed of covenant executed in connection with a Series of Notes and any other security documents entered into in connection with a Series of Notes and any other documents named as Transaction Documents in any Issue Deed constituting such Series of Notes; and

"Transaction Party" means each party to a Transaction Document other than the Issuer, and any other person specified as a Transaction Party in the applicable Issue Deed.

- 1.2 Words and expressions denoting the singular shall, where the context permits or requires, include the plural and *vice versa* and words and expressions denoting the masculine shall, where the context permits or requires, include the feminine and neuter and *vice versa*.

2 Form, denomination and title

- 2.1 The Notes will be represented by one or more global notes (each, a **"Global Note"**) in order to be eligible for clearing and settlement. Global Notes shall be in bearer form only.
- 2.2 The Notes will be in denominations of EUR 125,000 (one hundred twenty-five thousand euros) each (or the equivalent amount in any other currency).
- 2.3 Global Notes will be deposited with a common depository for Euroclear Bank SA/NV (**"Euroclear"**) and/or Clearstream Banking, *société anonyme* (**"Clearstream"**) and each Global Note may contain provisions which modify these terms and conditions as they apply to such Global Note (and references in these terms and conditions to "Notes" shall mean as the context may permit or require (a) units of a denomination of EUR 125,000 (one hundred twenty-five thousand euros) each and (b) any Global Note).
- 2.4 Transfers of Notes are to be made in accordance with the respective rules and procedures of Euroclear or Clearstream, as applicable.
- 2.5 Global Notes may only be converted into definitive bearer notes (with, if applicable, coupons and talons attached) in the circumstances set out in such Global Notes and in accordance with the terms of the Transaction Documents. To the extent that it is necessary to issue Notes in definitive form, the costs of producing definitive bearer notes shall be borne by the Issuer and the Issuer shall use its best endeavours to effect all necessary amendments to the Transaction Documents to reflect such issue of definitive Notes. The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note as the absolute owner for all purposes (whether or not the Note shall be overdue and notwithstanding any notice of ownership or writing on the Note or any notice of previous loss or theft of the Note). Title to Notes shall pass by delivery.

3 Status of the notes, use of proceeds

- 3.1 The Notes are limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves, recourse in respect of which is limited in the manner described in Condition 4. The Notes are either secured or unsecured as described in Conditions 4.1 and 4.2.
- 3.2 The net proceeds from each issue of Notes will be used to purchase or otherwise acquire Compartment Assets, to pay for or enter into any ancillary transaction in connection with the issue of such Notes or acquisition of such Compartment Assets and to pay general expenses in connection with the administration of the Issuer, the issue of the Notes or acquisition of the Compartment Assets.

4 Security, compartments and limited recourse

- 4.1 If so specified in the applicable Issue Terms, the Notes of any Series issued by a Compartment of the Issuer will be secured in favour of the Security Trustee (for the benefit of itself and the other Secured Creditors) by a security interest in any and all securities and other financial instruments owned by such Compartment together with any and all claims that such Compartment has or may assert against any party as security for any and all financial obligations owed by the Compartment to the holders of Notes of the Series. Further, the Issuer shall in relation to any such secured Series of Notes, assign its rights (but not its obligations) under the Transaction Documents relating to such Series of Notes in favour of the Security Trustee.
- 4.2 Unless otherwise specified in the applicable Issue Terms, such security interest (if any) shall be in the form of:
- (a) a first fixed charge over the Compartment Assets and all property, assets and sums derived therefrom, in each case from time to time;
 - (b) an assignment by way of security of all the Issuer's rights, title and interest attaching or relating to the Compartment Assets) and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary
 - (c) an assignment by way of security of the Issuer's rights, title and interest against the Custodian and any relevant sub-custodian, to the extent that they relate to the Compartment Assets and/or the Notes
 - (d) an assignment by way of security of the Issuer's rights, title and interest under the Agency Agreement, the Custody Agreement and the Calculation Agency Agreement, , to the extent that they relate to the Compartment Assets and/or the Notes;
 - (e) an assignment by way of security of the Issuer's rights, title and interest under the Custody Agreement, to the extent that they relate to any assets held by the Custodian and any relevant sub-custodian in respect of the Notes;
 - (f) a first fixed charge over all sums held by the Paying Agent to meet payments due in respect of any amount owed to a Secured Creditor under the relevant Series.
- 4.3 The provisions of Conditions 4.4 to 4.6 shall apply in connection with any Secured Series and shall not apply to any Unsecured Series. The provisions of Conditions 4.7 to 4.8 shall apply in connection with any Unsecured Series and shall not apply to any Secured Series. The remainder of Condition 4 shall apply to a Secured Series and an Unsecured Series.
- 4.4 The obligations of the Issuer to pay any amounts due and payable in respect of a Series of Notes and to the other Transaction Parties at any time in respect of a Series shall be limited to the proceeds available out of the Secured Property in respect of such Series at such time to make such payments in accordance with Condition 11.4 and the Security Trust Terms. Notwithstanding anything to the contrary contained herein, or in any Transaction Document, in respect of a Series, the Transaction Parties and the Noteholders shall have recourse only to the Secured Property in respect of the Series, subject always to the Security, and not to any other assets of the Issuer. If, after (i) the Secured Property in respect of the Series is

exhausted (whether following liquidation or enforcement of the Security or otherwise) and (ii) application of the available proceeds in accordance with Condition 11.4 and the Security Trust Terms, any outstanding claim, debt or liability against the Issuer in relation to the Notes of the Series or the Transaction Documents relating to the Notes of the Series remains unpaid, then such outstanding claim, debt or liability, as the case may be, shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following extinguishment in accordance with this Condition, none of the Transaction Parties or the Noteholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors in respect of such further sum in respect of the Series.

- 4.5 None of the Transaction Parties (save for the Secured Parties who may lodge a claim in liquidation of the Issuer which is initiated by another party (but not otherwise) or take proceedings to obtain a declaration or judgment as to the obligations of the Issuer), the Noteholders, any Secured Creditor or any person acting on behalf of any of them may, at any time, institute, or join (except as aforesaid) with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors 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 notes other than the Notes issued by the Issuer (save for any further notes which form a single series with the Notes) or Secured Property in respect of a different series or Obligations issued or entered into by the Issuer or any other assets of the Issuer (other than the Secured Property in respect of the Series).
- 4.6 In addition, none of the Transaction Parties, the Noteholders or any person acting on behalf of any of them shall have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of these Conditions, the Security Trust Terms or any other Transaction Documents.
- 4.7 If the Compartment Assets of a Compartment and the net proceeds of the realisation of the security created pursuant to or in connection with the Issue Deed (if any) and/or any additional security are not sufficient to make all payments due in respect of the Notes issued by that Compartment, then the obligations of the Issuer in respect of such Notes will be limited to such Compartment Assets and net proceeds. For the avoidance of doubt, the assets of the other Compartments of the Issuer will not be available for payment of any shortfall (but will remain available to the holders of Notes issued by such Compartments). Accordingly, any shortfall shall be borne by the holders of the Notes issued by the relevant Compartment and no Secured Creditor shall have recourse to the Issuer or the Security Trustee in relation to any such shortfall in such circumstances.
- 4.8 The Issuer will not be obliged to make any further payment in excess of the aforementioned Compartment Assets and net proceeds and any right to receive any further sum in each case in respect of any shortfall remaining after application of the relevant Compartment Assets and net proceeds shall be extinguished and no Noteholder may take any further action to recover the shortfall (and failure to make any payment in respect of any shortfall shall in no circumstances constitute an Event of Default). In particular, subject to and in accordance

with article 64, paragraph (1) of the Securitisation Act, no Noteholder can attach property of the Issuer or apply for bankruptcy of the Issuer or request the opening of any other collective or restructuring proceedings in respect of the Issuer.

- 4.9 The provisions of Condition 4.4 to 4.6 (inclusive) or Condition 4.7 to 4.8 (inclusive) (as applicable depending on whether a Series is a Secured Series or an Unsecured Series) shall survive notwithstanding any redemption of the Notes of any Series or the termination or expiration of any Transaction Document.
- 4.10 The Issuer's general expenses and liabilities, which do not specifically relate to any Compartment or which otherwise relate to the uncompartimentalised core of the Issuer, may be apportioned between the Compartments in such commercially reasonable manner as the Issuer's board of directors may determine in its sole discretion.
- 4.11 Notwithstanding the above, where any Compartment Assets and/or any property, assets and sums derived therefrom are held by the Custodian in book-entry form, the security interests granted in respect of the same might, as a result of such book-entry holding, take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Compartment Assets and/or property, sums and assets, as the case may be, rather than a charge over such Collateral and/or property, sums and assets derived therefrom themselves.
- 4.12 Certain of the assets being the subject of the Security shall be released from the Security automatically, without the need for any notice or other formalities, to the extent required for the Issuer to be able to duly make any payment or delivery in respect of the Notes and/or the other Transaction Documents which is due and payable or deliverable, or in connection with the purchase of Notes or as otherwise provided for under the Conditions or the relevant Transaction Documents in respect of a Series.

5 Role of the Security Trustee and Enforcement

- 5.1 Each Noteholder by purchasing and/or holding Notes acknowledges and agrees that a Security Trustee shall only be appointed if the requisite Notes are to be secured and, in the absence of a Security Trustee, each Noteholder shall be solely responsible for the enforcement of its rights under the Notes (including taking any steps or pursuing any remedies against the Issuer and/or accelerating the Notes in accordance with these Conditions) and that no Agent shall be responsible for taking any such action on behalf of a Noteholder.
- 5.2 Where a Security Trustee has been appointed in connection with a Series of Notes only the Security Trustee may enforce the Security and no Noteholder shall be entitled to enforce the Security unless the Security Trustee, having become bound to proceed in accordance with the Security Trust Terms, fails to do so within a reasonable period and such failure is continuing.
- 5.3 Where a Security Trustee has been appointed in connection with a Series of Notes, the rights, obligations and duties of the Security Trustee shall be set out in the Security Trust Terms which each Noteholder shall be deemed to have reviewed and approved in full. No Security Trustee shall suffer any liability to any person where it complies with its obligations under the Security Trust Terms.

5.4 Notwithstanding the foregoing (but subject to the detailed provisions of the Security Trust Terms) the Issuer, each Noteholder and each other Secured Party (other than the Security Trustee) acknowledges and agrees that:

- (a) at any time after the occurrence of an Enforcement Event the Security Trustee (without the need for notice to any person) shall, if so directed by an Extraordinary Resolution (but subject to being indemnified and/or pre-funded and/or secured to its satisfaction), enforce all or any part of the Security constituted by the Transaction Documents (if applicable).
- (b) in order to enforce the Security the Security Trustee may:
 - (i) sell, call in, collect and convert the Secured Property into money and the Security Trustee may take possession of all or part of the Secured Property over which the Security shall have become enforceable;
 - (ii) take such action, step or proceeding against any Collateral Obligor as it is instructed to take by the Noteholders in accordance with the Security Trust Terms without any liability to any other Secured Creditor as to the consequence of such action and without having regard to the effect of such action, step or proceeding on individual Noteholders or any other Secured Creditor; and
 - (iii) take any such other action or step or enter into any such other proceedings as it is instructed to take by the Noteholders in accordance with the Security Trust Terms (including, without limitation, taking possession of all or any of the Secured Property and/or appointing a receiver) as are permitted under the Security Trust Terms,

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

- (c) following an Enforcement Event the Security Trustee will hold amounts received by it under the Security Trust Terms on trust to apply them in accordance with such Security Trust Terms. The Noteholders and each other Secured Creditor is deemed to have knowledge of such order of application, including where the Security Trust Terms allow the Security Trustee to pay any amounts owing to it, or to any Agent, prior to applying amounts to Noteholders;
- (d) the Security Trustee shall not be obliged (1) to take any action in relation to the realisation of Security over any Secured Property (2) to take any proceedings to enforce repayment of sums due under the Transaction Documents (3) to take any other action under the Transaction Documents including but not limited to agreeing modifications or waivers to any Transaction Document or exercising any other rights it has under any Transaction Document unless it shall have been directed by an Extraordinary Resolution to do so and only then if it is indemnified, pre-funded or secured to its satisfaction. In no circumstances will the Security Trustee be obliged to take any action which may involve the Security Trustee in any personal liability or expense that is not assured to it. Notwithstanding the foregoing the Security Trustee may at all times, whether or not so directed, take such action in respect of any right,

power or discretion which is personal to the Security Trustee or is to preserve or protect the Security Trustee's position or is of a purely administrative nature;

- (e) the Security Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Security Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its subsidiaries;
- (f) in connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination referred to above), the Security Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Security any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders;
- (g) the Security Trustee may, in making any determination under the Transaction Documents, act on the opinion or advice of, or information obtained from, any accountants, financial advisers, investment bank, auditors or other expert and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from it so acting; and
- (h) the Security Trustee may rely without liability to Noteholders on any certificate or report prepared by any of the above mentioned advisers, auditors or experts pursuant to the Transaction Documents, whether or not the expert, adviser or auditor's liability in respect thereof is limited by a monetary cap or otherwise.

6 Undertakings

- 6.1 The Issuer shall in the Security Trust Terms provide an undertaking in favour of the Security Trustee stating that it will not grant or permit to subsist any security interest upon the whole or any part of its assets having priority over and ranking ahead of any other security interest created in accordance with Condition 4 (other than any lien or other security interest arising by operation of law or in the ordinary course of business and not as a result of any default or omission by the Issuer and excluding liens for taxes that are overdue and uncontested).
- 6.2 The Issuer covenants and undertakes to comply with all applicable laws, including without limitation all laws on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and all regulations and guidelines promulgated thereunder.
- 6.3 The Issuer shall not, without the prior consent in writing of the Security Trustee (in the case of a secured Series of Notes) or the prior consent of the Noteholders acting by way of

Extraordinary Resolution (in the case of an unsecured Series of Notes) and except as provided for or contemplated in the Transaction Documents and the Securitisation Act:

- (a) engage in any business other than the issuance or entry into of Obligations, the entry into of related agreements and transactions and the performing of acts incidental thereto or necessary in connection therewith, and provided that such Obligations and any related agreements contain provisions that limit the recourse of any holder of, or counterparty to, such Obligations and of any party to any related agreement to assets other than those to which any other Obligations (other than Equivalent Obligations) have recourse;
- (b) have any subsidiaries (however, this shall not prevent the Issuer from purchasing shares in connection with the issuance or entry into of Obligations even where such purchase would result in the Issuer holding a controlling stake in another entity);
- (c) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person;
- (d) have any employees;
- (e) issue any shares (other than such shares as are in issue at the date hereof and such shares as may be issued in accordance with the Securitisation Act) or make any distribution to its shareholders (other than in relation to the above-mentioned shares);
- (f) declare any dividends (other than in relation to such shares as may be issued in accordance with the Securitisation Act);
- (g) except as is required in connection with the issuance or entry into of Obligations, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- (h) guarantee, act as surety for or become obliged for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (i) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
- (j) except as is required in connection with the issuance or entry into of Obligations, advance or lend any of its moneys or assets, including but not limited to any Secured Property, to any other entity or person; or
- (k) approve, sanction or propose any amendment to its constitutional documents.

7 Interest – fixed rate notes

- 7.1 If, in their Issue Terms, this Condition 7 is specified to apply to Notes ("**Fixed Rate Notes**"), then each such Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum equal to the Interest Rate specified for each

Interest Period in the Issue Terms, such interest being payable in arrear on each Interest Payment Date.

- 7.2 Any interest accruing under the Notes will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (having regard to any issue of further Notes being consolidated with existing Notes to form a single Series during an Interest Period).
- 7.3 Interest will cease to accrue on each Note on the due date for redemption unless (where relevant, upon due presentation thereof) payment of principal is improperly withheld or refused, in which event interest will continue to accrue (both before and after judgment) at the Interest Rate in the manner provided herein.
- 7.4 If the Issuer fails to pay any amount payable by it under these Conditions or the applicable Issue Terms on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the Luxembourg statutory interest rate (*taux d'intérêt légal*) for commercial transactions. Any interest accruing under this Condition 7.4 shall be immediately payable but will not be compounded.

8 Interest - floating rate notes and zero coupon notes

- 8.1 If Notes are identified as "Floating Rate Notes" or "Zero Coupon Notes", respectively, in the applicable Issue Terms, then in lieu of Condition 7, this Condition 8 shall apply to such Notes ("**Floating Rate Notes**" or "**Zero Coupon Notes**", respectively), except that Condition 7.3 shall continue to apply in all cases.
- 8.2 The Interest Rate of Floating Rate Notes will be specified in and determined by the Calculation Agent in respect of each Interest Period in accordance with the applicable Issue Terms. Floating Rate Notes will bear interest at a rate set by reference to a benchmark such as EURIBOR or LIBOR, as specified in the relevant Issue Terms and as adjusted for any applicable margin.
- 8.3 Zero Coupon Notes only bear interest on any overdue principal in accordance with Condition 7.3.

9 Pass-through notes

- 9.1 If Notes are identified as "Pass-Through Notes" in the applicable Issue Terms ("**Pass-Through Notes**"), then in lieu of Condition 7, this Condition 9 shall apply to such Notes and in case of any inconsistency between the other provisions of these Conditions and this Condition 9, this Condition 9 will prevail, except that Condition 7.3 shall continue to apply in all cases.
- 9.2 The net proceeds from the issue of Pass-Through Notes will be used to acquire, either outright or synthetically, through a swap agreement or otherwise, financial assets or other Compartment Assets, including without limitation shares in a company the sole purpose of which is to maintain an actively managed portfolio account with a bank or other financial institution.
- 9.3 In respect of each Pass-Through Note, on each Interest Payment Date, an amount shall be payable equal to such Note's pro rata share of the aggregate payment received by the Issuer in respect of the Compartment Assets minus any margin amount specified in the applicable Issue Terms. For the avoidance of doubt, amounts payable to the Noteholders may be

reduced by any amounts owed by the Issuer to the Arranger, the Agents, the Security Trustee or any other person under the terms of the Transaction Documents.

- 9.4 Subject to the applicable Issue Terms of any Series of Pass-Through Notes, the Issuer may decide to pay all or part of the Redemption Amount by transferring corresponding non-cash Compartment Assets of the relevant Compartment of equivalent value (provided such assets are eligible for clearing and settlement through the systems of Euroclear and/or Clearstream) and the Issuer may make whatever arrangements it thinks fit, in a commercially reasonable manner, including fixing the value of any Compartment Assets.

10 Redemption and purchase

- 10.1 Unless previously redeemed or purchased and cancelled as provided below, each Note will be redeemed at its Redemption Amount (which unless otherwise specified in the Issue Terms, is its outstanding principal amount together with accrued interest minus any specified margin amount) on the Maturity Date specified in respect of each Note.
- 10.2 If so provided in the Issue Terms, the Issuer may, on giving no less than 15 Business Days' and no more than 30 Business Days' notice to the Noteholders (which notice shall be irrevocable) in accordance with these Conditions and, if the Notes are listed on any stock exchange and the rules and regulations thereof so require, such stock exchange, redeem (in whole or, if so provided, in part) all (or, if so provided, some) of the Notes on the date or dates so provided. Subject to the Issue Terms, any such redemption of Notes shall be at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption. All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice.
- 10.3 Where some only of the Notes are to be redeemed, the Notes to be redeemed will be selected by the Issuer, subject to and in accordance with applicable law and, if the Notes are represented by a Global Note deposited with a common depository for Euroclear and/or Clearstream, the respective rules and procedures of Euroclear or Clearstream, as applicable, and, if the Notes are listed on any stock exchange, the rules and regulations of such exchange.
- 10.4 The Issuer may at any time purchase one or more Notes in the open market at any price and from any one or more Noteholders. The Notes purchased in accordance with this Condition 10 will be cancelled and may not be resold. For the avoidance of doubt, the Issuer shall be released from any obligations in respect of purchased Notes.

11 Payments

- 11.1 Payment of principal and/or interest in respect of the Notes will be made in the Relevant Currency by credit or transfer to a bank account (or any other account on which credits or transfers may be made in the Relevant Currency). Amounts received from the Issuer shall be applied in or towards payment of any accrued interest after repayment of principal on the Notes, to the extent any repayment of principal is due at such time.
- 11.2 Payments on a Global Note will be made in accordance with the respective rules and procedures of Euroclear and/or Clearstream. Each of the persons shown in the records of Euroclear or Clearstream as the holder of a Note represented by a Global Note must look solely to Euroclear or Clearstream, as applicable, for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the

Global Note, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

- 11.3 If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and shall not be entitled to any interest or other additional sums in respect of such postponed payment.
- 11.4 The Issuer shall, on each date on which payments are to be made to the Noteholders, apply amounts available to it as follows:
- (a) first, in payment or satisfaction of any taxes owing by the Issuer and reimbursing the Custodian where the Custodian has, on behalf of the Issuer, paid or satisfied taxes owing by the Issuer in accordance with the Custody Agreement;
 - (b) secondly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Security Trustee (if any) under the Transaction Documents (including but not limited to any taxes, VAT, legal fees, remuneration and indemnity amounts);
 - (b) thirdly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Agents (on a pro rata and pari passu basis) under the Transaction Documents (including but not limited to any taxes, VAT, legal fees, remuneration and indemnity amounts);
 - (c) *fourthly*, in or towards payment pro rata of any accrued interest due but unpaid under the Notes;
 - (c) *fifthly*, in or towards payment pro rata of any principal due but unpaid under the Notes; and
 - (d) *sixthly*, in or towards payment pro rata of any other sum due but unpaid under the Notes.
- 11.5 All payments to be made by the Issuer under the Notes shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

12 Calculations

To the extent the Issuer deems it necessary to do so in relation to an individual Series of Notes, it may appoint a Calculation Agent to perform all calculations and determinations in relation to any payments to be made by the Issuer under the Notes. Any Calculation Agent appointed shall perform its obligations in a commercially reasonable manner and shall (save in the case of manifest error at the time the relevant calculation or determination is made) be final and binding on the Noteholders. Any Calculation Agent appointed shall suffer no liability to any Noteholder or other person in connection with its obligations under the Transaction Documents unless it has acted with gross negligence, wilful misconduct or fraud.

13 Tax deductions

- 13.1 The Issuer shall make all payments to be made by it without any deduction or withholding for or on account of any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) from a payment under the Notes (a "**Tax Deduction**"), unless a Tax Deduction is required by law.
- 13.2 If a Tax Deduction is required by law to be made by the Issuer, the amount of the payment due from the Issuer to the Noteholders shall not be increased.
- 13.3 If the Issuer is required to make a Tax Deduction, the Issuer shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- 13.4 If at any time the Paying Agent or the Security Trustee is required to make a Tax Deduction it shall be fully entitled to do so without liability to any person and shall have no obligation to gross-up amounts to account for such Tax Deduction.

14 Events of default

- 14.1 The Issuer will promptly and in any event within five calendar days notify the Noteholders of the occurrence of a Potential Default (of which it has knowledge) or the occurrence of an actual Event of Default.
- 14.2 On and at any time after the occurrence of an Event of Default which is continuing, the Noteholders of the relevant Series may (acting by way of Extraordinary Resolution) declare that all or part of the principal of the Notes of the relevant Series, together with accrued interest, if any, be immediately due and payable, whereupon it shall become immediately due and payable.
- 14.3 If a Security Trustee has been appointed in relation to a Series of Notes, Condition 14.2 shall not apply and this Condition 14.3 shall instead apply. On and at any time after the occurrence of an Event of Default which is continuing, the Noteholders of the relevant Series may (acting by way of Extraordinary Resolution) declare that all the principal of the Notes of the relevant Series, together with accrued interest, if any, be immediately due and payable, whereupon it shall become immediately due and payable (the passing of such an Extraordinary Resolution being an "**Enforcement Event**").

15 Prescription, replacement and exchange

- 15.1 All claims against the Issuer for the payment of principal or interest in respect of the Notes shall lapse after five (5) years, both in the case of principal and interest, from the due date for payment thereof.
- 15.2 Should any Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the registered office of the Issuer or the Paying Agent, in accordance with applicable law and upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes must be surrendered before replacements will be issued.

16 Notices

- 16.1 Notices to be given by the Issuer to the Noteholders shall be validly given if published (in English) in a daily newspaper of general circulation in Luxembourg (which is expected to be *Luxemburger Wort*), save where all holders of Notes of a particular Series waive their rights to any particular notice in writing before or after the event that gives rise to the notice requirement. Any such notice published as aforementioned shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication.
- 16.2 For so long as one or more Notes are represented by a Global Note deposited with a common depository for Euroclear and/or Clearstream, notices to Noteholders may be given (in lieu of publication in accordance with Condition 16.1) by delivery of the relevant notice to Euroclear and/or Clearstream, as applicable, for communication to the relevant account holders except that if and for so long as the Notes are listed on a stock exchange, the Issuer shall also procure that all notices to holders of the Notes will be published in accordance with the rules of such stock exchange. Any such notice shall be deemed to have been given to the holders of the relevant Notes on the second day following the day on which such notice is delivered to the relevant clearing systems.

17 Variation and meetings of noteholders

- 17.1 The Notes (including any Global Notes) of any Series and the Conditions may be amended by the Issuer without the consent of the holder of any Note (a) for the purpose of curing any ambiguity or for curing, correcting or supplementing any defective provision contained in these Conditions or (b) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes of that Series. In addition, the parties to the Agency Agreement, the Custody Agreement and/or any Calculation Agency Agreement may agree to modify any provision thereof but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.
- 17.2 If a Security Trustee has been appointed in relation to a Series of Notes, the consent of the Security Trustee will be required to amend any Transaction Document that the Security Trustee is a party to or under which it has assigned rights as part of the Security for such Series and such consent shall only be given by the Security Trustee in accordance with the Security Trust Terms. The Security Trustee shall not be required to agree to any modification that would, in its sole opinion, result in it incurring additional liabilities or obligations or in its protections or rights under the Transaction Documents being reduced.
- 17.3 In addition, in respect of any Series of Notes, by resolution adopted by the holders of a majority in aggregate principal amount of Notes then outstanding (an "**Extraordinary Resolution**") present or represented at a Meeting of Noteholders of such Series at which a quorum of one or more holders representing not less than 25% (twenty-five per cent.) of the aggregate principal amount of Notes then outstanding is present or represented, the Issuer may from time to time vary the Transaction Documents as they apply to the relevant Series unless the business of such meeting includes consideration of a proposal to: (a) change the stated maturity of the principal of or any instalment of interest on any Note or any redemption date of the Notes, (b) reduce or cancel the denomination or nominal value of or interest or any other amount payable on any Note, (c) to vary any method of, or basis for, calculating any interest, principal or other amounts payable on the Notes, (d) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority

required to pass an Extraordinary Resolution or (e) to modify clause 8 (*Application of Moneys*) of the Security Trust Terms or Condition 11.4, in which case the quorum shall be one or more holders representing not less than 50% (fifty per cent.) of the aggregate principal amount of Notes then outstanding. Any such variations of these Conditions will be conclusive and binding on all holders of Notes of the relevant Series, whether or not they have given such consent or were present or represented at any meeting, and whether or not notation of such variations or waivers is made upon the Notes.

- 17.4 In addition, in respect of any Series of Notes, (i) any written resolution signed by or on behalf of the holders of more than 50% (fifty per cent.) in principal amount of the Notes for the time being outstanding or (ii) where the Notes are held by or on behalf of Euroclear and/or Clearstream, approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications system of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holder of more than 50% (fifty per cent.) in principal amount of the Notes for the time being outstanding, has (in each case) effect as an Extraordinary Resolution as if duly passed at a Meeting of Noteholders of that Series and references in these Conditions to resolutions passed at a Meeting of Noteholders or an Extraordinary Resolution shall be construed accordingly and any such written resolution or resolution by electronic consents will be binding on all Noteholders whether or not they participated in such written resolution or electronic consent.
- 17.5 The Issuer or the Noteholders may convene a Meeting of Noteholders in accordance with the terms of the Agency Agreement.

18 Miscellaneous

- 18.1 Nothing in these Conditions shall be construed or be deemed to create a partnership or similar relationship between the Issuer and the Noteholders or between the Noteholders themselves, whether under the laws of Luxembourg or under the laws of any other jurisdiction.
- 18.2 Any provision of these Conditions which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
- 18.3 In any litigation or arbitration proceedings arising out of or in connection with the Notes, the entries made in the accounts maintained by the Issuer are prima facie evidence of the matters to which they relate.
- 18.4 The provisions of articles 84 to 94-8 of the Commercial Companies Act 1915 shall not apply to these Conditions or (any issue of) any Notes. The other provisions of the Commercial Companies Act 1915 in respect of notes (*obligations*) or meetings of noteholders (*obligataires*) shall only apply in respect of the Issuer's obligations under the Transaction Documents if and to the extent consistent with these Conditions or if not capable of being derogated from.
- 18.5 The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the Notes.

18.6 If a Security Trustee has been appointed in relation to a Series of Notes, Condition 18.5 shall not apply and this Condition 18.6 shall instead apply. The Issuer shall be at liberty from time to time (but subject always to the provisions of the Security Trust Terms and these Conditions) without the consent of the Noteholders or any other Secured Creditor to create and issue further Notes having terms and conditions the same as the Notes (or the same in all respects save for the amount and date of the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes of a particular Series. Any such further notes shall only form a single Series with the Notes (unless otherwise sanctioned by an Extraordinary Resolution) if the Issuer provides additional assets (as security for such further notes) which are fungible with, and have the same proportionate composition as, those forming part of the Secured Property for the Notes and in the same proportion as the proportion that the nominal amount of such new notes bears to the Notes. Any new notes forming a single series with the Notes shall be constituted and secured by a deed supplemental to the Security Trust Terms, such further security shall be added to the Secured Property so that the new notes and the existing Notes shall be secured by the same Secured Property (and, for the avoidance of doubt, all the holders of the first and all later tranches of Notes shall benefit from the Secured Property on a pari passu basis).

19 Governing law and jurisdiction

19.1 The Notes and these Conditions are governed by English Law.

19.2 The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes and these Conditions and accordingly any legal action or proceedings arising out of or in connection with any Notes and these Conditions ("**Proceedings**") may be brought in such courts. This submission is made for the benefit of the Security Trustee, each Agent and each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

19.3 The Agency Agreement, the Custody Agreement and any Security Trust Terms (in each case including any non-contractual obligations arising out of or in connection with them) are governed by and shall be construed in accordance with English law. The Courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Agency Agreement, the Custody Agreement and any Security Trust Terms and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement, the Custody Agreement and any Security Trust Terms ("**Transaction Document Proceedings**") may be brought in such courts. The Issuer has in the Agency Agreement, the Custody Agreement and any Security Trust Terms irrevocably submitted to the jurisdiction of such courts. This submission is made for the benefit of the Security Trustee and the relevant Agents and shall not limit the right of any of them to take Transaction Document Proceedings in any other court of competent jurisdiction nor shall the taking of Transaction Document Proceedings in one or more jurisdictions preclude the taking of Transaction Document Proceedings in any other jurisdiction (whether concurrently or not).

6 SUMMARY OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM

6.1 Initial Issue of Notes

Global Notes may be delivered prior to the original issue date of any Notes to the Paying Agent or any other common depository for Euroclear and Clearstream (the "**Common Depository**").

Upon the initial deposit with and delivery to the Common Depository, Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the applicable Issue Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

6.2 Relationship of accountholders with clearing systems

Each of the persons shown in the records of Euroclear or Clearstream as the holder of a Note represented by a Global Note must look solely to Euroclear or Clearstream for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream.

Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

6.3 Cancellation

Cancellation of any Note represented by a Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by a reduction in the nominal amount of the relevant Global Note.

6.4 Interests

In considering the interests of Noteholders while any Global Note is held on behalf of a clearing system, regard may had to any information provided by such clearing system or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to such Global Note and such interests may be considered as if such accountholders were the holders of the Notes represented by such Global Note.

6.5 Amendments

While any Global Note is held on behalf of a clearing system, for the purpose of determining whether a written resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given by accountholders in the clearing system with entitlements to such Global Note or, where the accountholders hold any such entitlement on behalf of another person, on consent from or 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 Issuer has obtained commercially reasonable evidence to ascertain the validity of such holding and has 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. Any resolution passed in such manner shall be binding on all Noteholders, 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 or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes.

The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

6.6 Notices

So long as any and all Global Notes are held on behalf of a clearing system, notices to the holders of Notes may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that if and for so long as the Notes are listed on a stock exchange, all notices to holders of the Notes will be published in accordance with the rules of such stock exchange.

7 FORM OF ISSUE TERMS

Issue Terms dated [●]

Aldburg S.A.

*(a public company incorporated and organised as
a securitisation company under the laws of Luxembourg)*

Issue of [AGGREGATE NOMINAL AMOUNT OF SERIES] [TITLE OF NOTES]

under the

EUR 5,000,000,000 Asset-Based Term Note Programme

PART A – CONTRACTUAL TERMS

The Notes issued by the Issuer will be subject to the Conditions and also to the following terms (the "**Issue Terms**") in relation to the Notes.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] [and the Series Prospectus dated [●]], [which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive (the "**Prospectus**")]¹. For the purpose of these Issue Terms, references to Issue Terms in the Prospectus shall be read and construed as references to Issue Terms in respect of the Notes. This document constitutes the applicable Issue Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these applicable Issue Terms and the Prospectus.

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

SERIES DETAILS

1	(i)	Issuer:	Aldburg S.A. acting in respect of and on account of the following compartment.
	(ii)	Compartment:	[●]
2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	<i>[Provide the date on which the Notes become fungible with the relevant Series.]</i>
3		Currency:	[●]
4		Aggregate Nominal Amount of Notes:	[●]

¹ To only be included if CSSF approval has been obtained.

- 5 Issue Price: [●]
- 6 Denomination: [●]
- 7 (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●]
- 8 Maturity Date: [●]
- 9 Interest Basis: [●]
- 10 Redemption/Payment Basis: [●]
- 11 [Date of Board approval for issuance of Notes obtained:] [*Where relevant.*]
- 12 [Additional Paying Agents:] [*Where relevant.*]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 13 Fixed Rate Note Provisions: [●]
- 14 Floating Rate Note Provisions: [●]
- 15 Zero Coupon Note Provisions: [●]
- 16 Pass-Through Note Provisions: [●]
- 17 Business Day Convention: [●]
- 18 Default Interest: [●]

COLLATERAL

- 19 (i) Initial Compartment Assets: [●]
- (ii) Purchase of Compartment Assets: [●] [*The Issuer will purchase the initial Compartment Assets from [●] on or around the Issue Date.*]
- (iii) Security Interest: [*Security interest (in the form of English law fixed charges and an English law assignment by way of security) in any and all financial instruments owned by the Compartment of the Issuer (at any time) together with any and all claims that the Compartment has or may assert against any party (at any time arising).*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 20 Form of Notes: [●]
- 21 [TEFRA/other exemptions to be considered by

Issuer/Arranger]

22 Agents and Security Trustee

(i) Calculation Agent

(ii) Custodian

(iii) Paying Agent

(iv) Security Trustee

PROVISIONS COMPLETING, MODIFYING AND AMENDING THE CONDITIONS

21 [●]: [●]

RESPONSIBILITY

[The Issuer accepts responsibility for the information contained in this document and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.]

Signed on behalf of Aldburg S.A. acting in respect of and on account of compartment "[●]":

By:

Name: [●]

PART B – OTHER INFORMATION

1 LISTING:

Listing and admission to trading: [Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to [●] and to trading on the [●].]

Estimate of total expenses related to admission to trading: [●]

[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER:]

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

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

(If no conflicts have been disclosed, delete entire Section 2. If conflicts have been discussed, reference should be to the section of the relevant document where such conflicts were disclosed.)

[REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:]

(i) [Reasons for the offer [●]

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

[Estimated net proceeds: [●]]

[Estimated total expenses: [●]]

[Fixed Rate Notes only – YIELD

Indication of yield: [●]

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

OPERATIONAL INFORMATION [●]

ISIN Code: [●]

Common Code: [●]

Clearing system(s) and any relevant identification number(s):

[Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. Luxembourg]

[Specify name(s) and number(s) [and address(es)]]

Delivery:

Delivery [against]/[free of] payment

8 USE OF PROCEEDS

Subject to the Securitisation Act, the Issuer acting through a distinctive Compartment will apply the net proceeds of an issue of Notes of any given Series to purchase or otherwise acquire the assets specified in the Issue Terms of such Series (and to pay for or enter into any ancillary transaction in connection with the issue of such Notes or acquisition of such assets) as well as towards paying general expenses in connection with the administration of the Issuer, the issue of the Notes or acquisition of the assets.

The expenses of the Issuer, including all fees payable to the Arranger, the Paying Agent, the Security Trustee and other parties, will in principle be met on a Series-by-Series basis.

9 DESCRIPTION OF THE ISSUER

9.1 General

The Issuer was incorporated for an indefinite term on 30 September 2016.

The Issuer is both a public company (*société anonyme*) under the Commercial Companies Act 1915 and a securitisation company (*société de titrisation*) under and within the meaning of the Securitisation Act.

The objects of the Issuer as set out in its articles of association include the entry into one or more securitisation transactions within the meaning of the Securitisation Act and, in this context, assuming risks, existing or future, relating to the holding of assets, whether movable or immovable, tangible or intangible, as well as risks resulting from the obligations assumed by third parties or relating to all or part of the activities of third parties, in one or more transactions or on a continuous basis. The Issuer may also assume those risks by acquiring assets, guaranteeing obligations or by committing itself in any other way. It may also transfer, to the extent permitted by law, dispose of claims and other assets it holds, whether existing or future, in one or more transactions or on a continuous basis.

The Issuer has not carried on any business or carried on any activities other than those incidental to the (contemplated) issue of Notes under the Programme as described in this Base Prospectus.

The Issuer is registered in the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés, Luxembourg*) under number B209441.

The registered office (*siège*) of the Issuer is currently situated at 2, boulevard de la Foire, 1528 Luxembourg, Grand Duchy of Luxembourg. The Issuer can be reached by telephone at the following number: +352 661308308.

9.2 Share capital

The share capital of the Issuer is EUR 31,000.00, divided into 1,000 fully paid shares in registered form with a nominal value of EUR 31.00 each.

9.3 Capitalisation and finance

The financial year of the Issuer coincides with the calendar year.

Because the Issuer is a (newly incorporated) securitisation company, it does not have any (relevant) financial position or financial statements (yet). Save for the issue of Notes and their related arrangements, the Issuer should not have any borrowings, other forms of indebtedness or other contingent liabilities.

The Issuer has not (yet) published any financial statements and may opt not to prepare semi-annual or other interim financial statements subject to and in accordance with applicable law and regulation.

Ernst & Young S.A. Luxembourg has been appointed as the statutory auditor (*réviseur d'entreprises agréé*) of the Issuer.

9.4 Directors

The management and administration of the Issuer is incumbent upon its directors, who together form a board, which board may exercise all powers not reserved by law or the articles to the general meeting or any other body of the Issuer.

The board of directors of the Issuer is composed by the sole director:

Antonio de Negri.

Each director has his business address for purposes of the Programme at the registered office of the Issuer.

Each director has entered into a service agreement with the Issuer and each director may resign and may be removed from office, at any time, in accordance with the applicable provisions of the Commercial Companies Act 1915. In the event of any such resignation or removal, for whatever reason, appropriate alternative arrangements will have to be put into place.

No director performs activities outside the Issuer that are significant with respect to the Programme. There are no potential conflicts of interests between any duties to the Issuer of the directors and their private interests and or other duties.

9.5 Shareholder

The sole shareholder of the Issuer is Stichting Apolleon, a foundation (*stichting*) under the laws of the Netherlands specifically set up for the purpose of holding the Issuer's shares.

Stichting Apolleon is not owned (or controlled) by any person (save for the control exercised by its board of directors). Stichting Apolleon has no beneficial interest in and will not derive any benefit from its shareholding in the Issuer. By law, a Dutch foundation like Stichting Apolleon can only make distributions for charitable purposes or otherwise of a benevolent or social nature and is prohibited from making any distributions to its directors.

The Issuer shares its office (and may share one or more directors) with Stichting Apolleon and Stichting Apolleon does not have any other address.

Stichting Apolleon is registered in the Netherlands Commercial Register under number 68193866.

9.6 Business

The Issuer will carry out securitisation transactions within the meaning of the Securitisation Act and participate in any such transaction by assuming (acquiring) assets (risks) and/or by issuing securities to ensure the financing of the relevant transaction.

The Issuer may, on a transitional or a lasting but limited basis and subject to the Securitisation Act, its articles of association and any relevant prospectus, borrow in order to pre-finance the acquisition of assets to be securitised and/or to improve investors' yield (and such borrowing is acceptable only if the Issuer also issues securities for a proportionally substantial amount within an appropriate timeframe). The main and

determining purpose of the overall transaction within which any borrowing occurs must always be a securitisation, that is an economic transformation of risks into securities.

In specific circumstances, the Issuer may, subject to the Securitisation Act, its articles of association and any relevant prospectus, grant loans instead of acquiring them on the secondary market.

The issuer will not issue securities to the public on a continuous basis within the meaning of the Securitisation Act.

9.7 Compartments

Under the Issuer's articles of association, its board of directors may create one or more compartments, each compartment corresponding to a distinct part of the Issuer's assets and liabilities.

Each compartment may be liquidated separately without such liquidation resulting in the dissolution or liquidation of any other compartment (or the Issuer at large).

Each Series of Notes shall be issued by a separate compartment of the Issuer and, by way of derogation from article 2093 of the Civil Code, the assets of a compartment are exclusively available to satisfy the rights of the creditors of that compartment (including the holders of the Notes issued by that compartment). Conversely, recourse of a compartment's creditors (including its Noteholders) is limited to the assets of that compartment.

The Issuer's general expenses and liabilities, which do not specifically relate to any Compartment or Series of Notes or which otherwise relate to the un compartmentalised core of the Issuer, may be apportioned between the Compartments in such commercially reasonable manner as the Issuer's board of directors may determine in its sole discretion.

9.8 No proceedings

There are no (nor have there been any) governmental, legal or arbitration proceedings pending (or threatened of which the issuer is aware) against the Issuer.

9.9 No change

Since the Issuer is a newly incorporated entity that has not carried on any business or carried on any activities yet, other than those incidental to the preparation of this Prospectus, there is nothing to be mentioned in terms of any change in the financial or trading position of the Issuer.

10 CIRDAN CAPITAL MANAGEMENT LTD

10.1 Description

Cirdan Capital Management Ltd is an independent asset management and advisory company, with an emphasis on accessibility, trust and integrity. It offers discretionary fund management, financial planning services and advisory fund management. It provides structured solutions from idea origination to execution using cutting edge technologies and analytics. It is actively involved in ethical investments through its flagship indices.

Cirdan Capital Management Ltd has been incorporated on 21 January 2014 as a private limited company under the laws of England and Wales and is registered with the Registrar of Companies for England and Wales under number 08853583. It has its registered office at 4th Floor, 7 Old Park Lane, Mayfair, London, W1K 1QR, United Kingdom and its visiting address is mentioned on the back page of this Base Prospectus.

10.2 Information on its role

Cirdan Capital Management Ltd is serving in an advisory capacity to the Issuer.

Cirdan Capital Management Ltd may also act as a counterparty of the Issuer in any transaction pursuant to which a Compartment of the Issuer acquires the assets backing any Compartment's Series of Notes or any transaction ancillary thereto.

11 INFORMATION ON SECURITY ARRANGEMENTS (AND SWAP AGREEMENTS, IF ANY)

Subject to and in accordance with the relevant Series Prospectus and/or the applicable Issue Terms, in respect of any single Series of Notes issued by a Compartment of the Issuer, among other things, a security interest in any and all securities and other financial instruments owned by such Compartment (at any time), together with any and all claims that such Compartment has or may assert against any party (at any time arising), may be created in favour of the Security Trustee for itself and on behalf of the relevant secured creditors identified in the Issue Terms, as security for the financial obligations owed by the relevant Compartment of the Issuer to such secured creditors of such Series.

Unless otherwise specified in the applicable Issue Terms, such security interest shall be in the form of:

- (a) a first fixed charge over the Compartment Assets and all property, assets and sums derived therefrom, in each case from time to time
- (b) an assignment by way of security of all the Issuer's rights, title and interest attaching or relating to the Compartment Assets) and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- (c) an assignment by way of security of the Issuer's rights, title and interest against the Custodian and any relevant sub-custodian, to the extent that they relate to the Compartment Assets and/or the Notes;
- (d) an assignment by way of security of the Issuer's rights, title and interest under the Agency Agreement, the Custody Agreement and the Calculation Agency Agreement, to the extent they relate to the Compartment Assets and/or Notes;
- (d) an assignment by way of security of the Issuer's rights, title and interest under the Custody Agreement, to the extent that they relate to any assets held by the Custodian and any relevant sub-custodian in respect of the Notes; and
- (e) a first fixed charge over all sums held by the Paying Agent to meet payments due in respect of any amount owed to a Secured Creditor under the relevant Series.

Specific information on security arrangements (and swap agreements, if any) is to be specified in any relevant Series Prospectus.

12 TAXATION

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

12.1 Luxembourg taxation

Taxation of the Issuer

The Issuer will be considered a fiscal resident of Luxembourg from a Luxembourg tax law perspective and should therefore be able to obtain a residence certificate from the Luxembourg tax authorities.

The Issuer will be liable for Luxembourg corporation taxes. The current standard applicable rate in Luxembourg city, including corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and solidarity taxes, is 29.22 per cent. Liability for such corporation taxes extends to the Issuer's worldwide profits including capital gains, subject to the provisions of any relevant double taxation treaty. The taxable income of the Issuer is computed by application of all rules of the Luxembourg Income Tax Act of 4 December 1967 (*Loi concernant l'impôt sur le revenu*), as amended and currently applied by the Luxembourg tax authorities.

Under certain conditions, dividends received by the Issuer from qualifying participations and capital gains realised by the Issuer on the sale of qualifying participations may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption. The Issuer may further deduct from its taxable profits interest payments made to Noteholders.

A fixed registration duty (*droit fixe spécifique d'enregistrement*) of EUR 75.00 is payable at the moment of the amendment of the articles of association of the Issuer. The transfer or sale of securities of the Issuer will not be subject to Luxembourg registration or stamp duty.

The Issuer will be exempt from wealth tax (*impôt sur la fortune*).

Taxation of Noteholders (withholding tax)

Under Luxembourg general tax laws currently in force and with the possible exception of interest paid to certain individual Noteholders or so-called residual entities, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Taxation of non-resident Noteholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Under the Luxembourg Acts of 21 June 2005, implementing the Savings Directive, and several agreements concluded between Luxembourg and certain dependent or associated

territories of the EU, a Luxembourg-based paying agent is required as from 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another Member State or in the aforementioned territories, and certain personal detail on the beneficial owner. Such details will be provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

Gains realised by a non-resident Noteholder, who does not have a permanent establishment or fixed place of business in Luxembourg, to which the Notes are attributable, on the sale or disposal of Notes are not subject to Luxembourg income tax.

Taxation of resident Noteholders

Under the Act of 23 December 2005, as amended, payments of interest or similar income made or ascribed by a paying agent (defined in the same way as in the Savings Directive) established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg or certain foreign residual entities securing the interest payments for such individuals will be subject to a withholding tax of 10 per cent.

Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the law would be subject to withholding tax of 10 per cent.

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

A Noteholder who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Notes are attributable, is subject to Luxembourg income tax in respect of the interest paid or accrued on, or any other income derived from, the Notes. An individual Luxembourg resident Noteholder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest or any other income received, except if withholding tax has been levied on such payments in accordance with the law.

Under Luxembourg domestic tax law, gains realised by an individual Noteholder, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, on the sale or disposal, in any form whatsoever, of Notes are not subject to Luxembourg income tax, provided this sale or disposal took place at least six months after the acquisition of the Notes. An individual Noteholder, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, has further to include the portion of the gain corresponding to accrued but unpaid interest in respect of the Notes in his taxable income, except if (a) withholding tax has been levied on such payments in accordance with the law, or (b) the individual Noteholder has opted for the application of a 10 per cent. tax in full discharge of income tax in accordance with the law, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than an EU Member State), or in a state that has entered into a treaty with Luxembourg relating to the Savings Directive.

The withholding tax or self-applied tax are the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth.

Gains realised by a corporate Noteholder or by an individual Noteholder, who acts in the course of the management of a professional or business undertaking, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Notes are attributable, on the sale or disposal, in any form whatsoever, of Notes are subject to Luxembourg income tax.

A Luxembourg Noteholder that is governed by the Act on family estate companies of 11 May 2007, as amended by the Act on undertakings for collective investment of 17 December 2010, as amended, or by the Act on specialised investment funds of 13 February 2007, as amended, will not be subject to any Luxembourg income tax in respect of interest received or accrued on the Notes, or on gains realised on the sale or disposal, in any form whatsoever, of Notes.

Noteholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

Wealth tax

A corporate Noteholder, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the Noteholder is governed by the Act on family estate companies of 11 May 2007, as amended, by the Act on undertakings for collective investment of 17 December 2010, as amended, by the Act on specialised investment funds of 13 February 2007, as amended, or if the Noteholder is a securitisation company under the Securitisation Act.

An individual Noteholder, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on Notes.

Other taxes applicable to Noteholders

Under present Luxembourg tax law, in the case where a Noteholder is a resident for tax purposes of Luxembourg at the time of his death, the Notes are included in his taxable estate, for inheritance tax purposes and gift tax may be due on a gift or donation of Notes, if the gift is recorded in a Luxembourg deed.

12.2 Proposed financial transactions tax

The European Commission has published a proposal for a Directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions are in principle exempt.

Under the current proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is

established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

12.3 CRS

The Organisation for Economic Co-operation and Development ("**OECD**") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information ("**AEOI**") on a global basis.

On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States of the EU. The Euro-CRS Directive was implemented into Luxembourg law by the Act on the automatic exchange of financial account information in the field of taxation of 18 December 2015 (the "**CRS Act**"). The CRS Act requires Luxembourg financial institutions to identify holders of financial assets and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement to automatically exchange information under the CRS and such agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

Accordingly, Noteholders may be required to provide information in relation to their identity and fiscal residence (and certain other information) in order to ascertain their CRS status and information regarding a Noteholder may be reported to the Luxembourg tax authorities. Under the CRS Act, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

12.4 FATCA

The Foreign Account Tax Compliance Act ("**FATCA**") became law in the United States in 2010. It requires financial institutions outside the United States ("**foreign financial institutions**" or "**FFIs**") to pass information about "financial accounts" held by "specified U.S. persons", directly or indirectly, to the U.S. tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain U.S. source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy

of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Issuer would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Act relating to the Foreign Account Tax Compliance Act of 24 July 2015 (the "**FATCA Act**") in order to comply with the provisions of FATCA rather than directly complying with the U.S. Treasury Regulations implementing FATCA.

Under the FATCA Act and the Luxembourg IGA, it may be required to collect information aiming to identify direct and indirect Noteholders that are "Specified U.S. Persons" for FATCA purposes ("**FATCA reportable accounts**"). Any such information on FATCA reportable accounts will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the United States of America and the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996.

To ensure compliance with FATCA, the FATCA Act and the Luxembourg IGA:

- (a) Noteholders may be requested to submit information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Noteholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Noteholder's FATCA status;
- (b) information concerning a FATCA reportable account under the FATCA Act and the Luxembourg IGA may be reported to the Luxembourg tax authorities;
- (c) information concerning payments to Noteholders with FATCA status of a non-participating foreign financial institution may be reported to the Luxembourg tax authorities;
- (d) applicable U.S. withholding taxes may be deducted from certain payments made to a Noteholder in accordance with FATCA, the FATCA Act and the Luxembourg IGA; and
- (e) any such personal information may be divulged to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

13 SUBSCRIPTION AND SALE

13.1 Subscription

The Issuer will enter into a subscription agreement with the Arranger in respect of each issue of Notes, pursuant to which the Arranger will, among other things, subscribe for the relevant Notes and may agree to procure purchasers for such Notes or to otherwise sell the Notes subsequent to their subscription.

13.2 Publicoffer

In principle, no offer of Notes to the public in a Member State of the European Union and/or the European Economic Area shall require the Issuer to publish a prospectus (or supplement an existing prospectus) pursuant to the Prospectus Directive or the Prospectus Act because the Notes have a denomination of EUR 125,000 each and since both the Prospectus Directive and the Prospectus Act provide that the obligation to publish a prospectus shall not apply to an offer of securities whose denomination per unit amounts to at least EUR 100,000.

13.3 U.S. selling restriction

The Notes have not been and will not be registered under the Securities Act, and may not at any time be offered or sold within the United States or to, or for the account or benefit of, any person who is (a) a U.S. person as defined in Regulation S or (b) 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.

The Notes are subject to U.S. tax law requirements and may not at any time be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations (but excluding for purposes of U.S. Treasury Regulations §1.163-5(c)(2)(i)(D), transactions that would permit resale of the Notes after the expiration of the restricted period to a person who is within the United States or its possessions or to a United States person).

13.4 General

Selling restrictions may be introduced or modified by an agreement of the Issuer and the Arranger following a change in a relevant law, regulation or directive. Any such new selling restriction or modification of an existing one will be set out in a supplement to this Base Prospectus.

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any part thereof or any supplement to this Base Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

In each subscription agreement between the Issuer and the Arranger pursuant to which the Arranger subscribes for Notes, the Arranger will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus or any part thereof, any supplement to this Base Prospectus or any other offering material, in all cases at its own expense unless otherwise agreed, and the Issuer shall not have any responsibility therefor.

14 GENERAL INFORMATION

The establishment of the Programme was authorised and this Base Prospectus was presented to and approved by a resolution of the board of directors of the Issuer passed on 3rd of April 2017 and the issue of each Series of Notes will be authorised by a separate resolution of the Issuer's board of directors.

There has been no significant change in the financial or trading position of the Issuer, and no material adverse change in the financial position or prospects of the Issuer in each case, since its incorporation.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had since the date of its incorporation, a significant effect on the financial position or profitability of the Issuer.

Each Global Note in bearer form having a maturity of more than one year will bear the following legend: *"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."*

In respect of a Series of Notes that has been accepted for clearance through the systems of Euroclear Bank SA/NV and/or Clearstream Banking, *société anonyme*, the Common Code and the ISIN will be set out in the applicable Issue Terms.

The information in this Base Prospectus has not been sourced from third parties.

The issue price and the amount of the relevant Notes will be determined, before filing of the applicable Issue Terms of each Series, based on then prevailing market conditions. The Issuer does not intend to provide any post-issue information in relation to any issues of Notes or in relation to the assets of a Compartment.

For so long as Notes are in issue under the Programme, copies of the following documents will be available in printed form, free of charge, during normal working hours on any business day, for inspection at the registered office of the Issuer and at the office of the Paying Agent (a) the articles of association of the Issuer, (b) a copy of this Base Prospectus together with any supplement to this Base Prospectus, (c) a copy of the Agency Agreement and any security trust agreement, (d) copies of each subscription agreement and applicable Issue Terms (save that any such documents relating to a Note which is not listed and admitted to trading on any stock exchange or market (including multilateral trading facility) will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory as to its holding of Notes and identity), (e) copies of the latest approved annual accounts of the Issuer and (f) such other documents as may be required by the rules of any stock exchange on which any Note is at the relevant time listed.

This Base Prospectus together with any relevant supplement and applicable Issue Terms for a Series of Notes listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market operated by the Luxembourg Stock Exchange will be published on the website of the Luxembourg Stock Exchange.

The Issuer does not intend to provide post-issue information regarding Notes to be listed on a stock exchange or, where applicable, performance of the assets of any of its Compartments.

Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

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