

Prospectus dated 18 August 2014

**PALLADIUM SECURITIES 1 S.A.**

*(a public limited liability company (société anonyme)  
incorporated under the laws of the Grand Duchy of Luxembourg, with its registered office at 2, boulevard Konrad  
Adenauer, L-1115 Luxembourg, registered with the Luxembourg trade and companies register under number  
B.103.036 and subject as a regulated securitisation undertaking to the Luxembourg act dated 22 March 2004 on  
securitisation, as amended)*

*(acting in respect of Compartment 143-2014-18)*

**Up to EUR 75,000,000 Series 143 Fixed to Floating Rate Instruments due 2020 (ISIN: XS1093823968)**

to be issued under the Programme for the issuance of secured notes of Palladium Securities 1 S.A.

(the “**Programme**”)

Palladium Securities 1 S.A. (the “**Company**”, and acting in respect of Compartment 143-2014-18, the “**Issuer**”) will issue on or about 12 September 2014 (the “**Issue Date**”) up to EUR 75,000,000 Series 143 Fixed to Floating Rate Instruments due 2020 (ISIN: XS1093823968) (the “**Instruments**”). The Collateral for the Instruments will be a principal amount of the AUD 470,000,000 inflation linked Notes due 2020 issued by Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch (ISIN: AU3TI0000189) equal to the Aggregate Nominal Amount of the Instruments as of the Issue Date rounded to the nearest whole denomination of such securities, determined using a AUD-euro exchange rate of 1.445 Australian dollars per euro (the “**Collateral**”). The Instruments will be issued in respect of a separate compartment (“**Compartment 143-2014-18**”) created by the board of directors of the Company (the “**Board**”).

The Series has been authorised by the Board. The Company is subject to the Luxembourg act dated 22 March 2004 on securitisation, as amended (the “**Securitisation Act 2004**”) and the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the “**Companies Act 1915**”). The terms and conditions of the Instruments comprise the Conditions (the “**Conditions**”) as set out herein.

Under Luxembourg law, the Company’s assets and liabilities can be divided into “compartments”. The Issuer will purchase assets with the proceeds of the Instruments, and those assets (the “**Series Assets**”) and the Issuer’s liabilities in respect of the Instruments will be allocated to the Compartment 143-2014-18 created for the Instruments and will be segregated from the Company’s other assets and liabilities and from the assets and liabilities allocated to all other Compartments. The Series Assets in the Compartment 143-2014-18 will be available exclusively to meet the Issuer’s obligations in respect of the Instruments and may not be used by the Company to meet its obligations in respect of any other series of instruments or any other obligations. In addition, the Instruments will be secured by a security interest over the Series Assets and the Issuer’s rights against the Agents and the Custodian in respect of the Instruments, and will also be secured by an assignment of the Issuer’s rights under the Hedging Agreement.

**If the proceeds of enforcement of the security are not sufficient to meet all of its obligations in respect of the Instruments, the Issuer’s obligations in respect of the Instruments will be limited to those proceeds and the Company’s other assets or assets of another Compartment will not be available to meet any shortfall. Prospective investors may not receive the amounts they expected in respect of the Instruments and may not recover all (or any) of their investment.**

**The terms of the Instruments are complex. An investment in the Instruments is suitable only for experienced and financially sophisticated investors who are in a position to evaluate the risks and who have sufficient resources to be able to bear any losses which may result from such investment.**

**Prospective investors in the Instruments should ensure that they understand fully the nature of the Instruments, as well as the extent of their exposure to risks associated with an investment in the Instruments and should consider the suitability of an investment in the Instruments in the light of their own particular financial, fiscal and other circumstances.**

**Prospective investors in the Instruments should refer to the “Risk Factors” section of this Prospectus.**

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) as competent authority under Directive (2003/71/EC) (the “**Prospectus Directive**”). This Prospectus constitutes a

prospectus for the purposes of Article 5.3 of the Prospectus Directive. The CSSF assumes no responsibility as to the economic and financial soundness of the Instruments or as to the quality or solvency of the Issuer in line with article 7 (7) of the Luxembourg Law of 10 July 2005 on prospectuses for securities, as amended. Application has been made to the Luxembourg Stock Exchange for the Instruments (a) to be admitted to trading on the Luxembourg Stock Exchange's regulated market pursuant to Directive 2004/39/EC (the "**MiFID Directive**") and (b) to be listed on the Official List of the Luxembourg Stock Exchange.

Application has also been made for the Instruments to be listed and admitted to trading on the Freiverkehr of the Frankfurt Stock Exchange and the Freiverkehr of the Stuttgart Stock Exchange (together with the Luxembourg Stock Exchange, the "**Stock Exchanges**").

References in this Prospectus to Instruments being "listed" (and all related references) shall mean that such Instruments are intended to be listed on the Official List of the Luxembourg Stock Exchange and the Freiverkehr of the Frankfurt Stock Exchange and the Freiverkehr of the Stuttgart Stock Exchange and admitted to trading on the Stock Exchanges. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the MiFID Directive.

There cannot be any guarantee that admission to listing or trading on the Stock Exchanges will be obtained or, if so obtained, will be maintained for the life of the Instruments. Nor can there be any guarantee that the Instruments will be listed on the Stock Exchanges upon issuance,

Unless the context otherwise requires, or as otherwise provided in this Prospectus, capitalised words and expressions shall have the meanings given to them under the heading "Definitions" in the section herein entitled "Conditions". The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

*Arranger*

**Deutsche Bank AG, London Branch**

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## SUMMARY

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

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

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

### Section A – Introduction and warnings

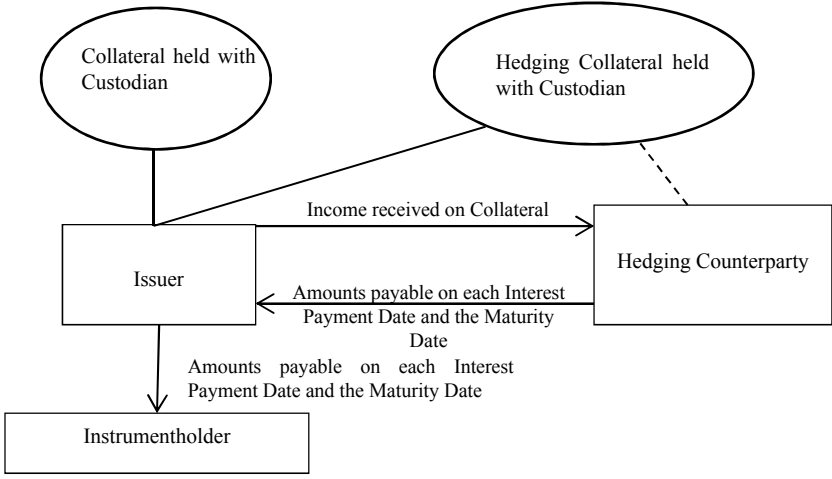
Element	Description of Element	Disclosure requirement
A.1	Warnings	<p>This summary should be read as an introduction to this Prospectus.</p> <p>Any decision to invest in the Instruments should be based on consideration of this Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in this 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 this Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Instruments.</p>
A.2	Consent	<p>The Issuer consents to the use of this Prospectus in connection with an offer of the Instruments in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a Prospectus (a “<b>Non-exempt Offer</b>”) subject to the following conditions:</p> <ul style="list-style-type: none"> <li>(i) the consent is only valid during the Offer Period, being the period from 20 August 2014 to 9 September 2014;</li> <li>(ii) the only offeror authorised to use this Prospectus to make a Non-exempt Offer of the Instruments is the Distributor;</li> <li>(iii) the consent only extends to the use of this Prospectus to make Non-exempt Offers of the Instruments in the Federal Republic of Germany.</li> </ul> <p><b>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY INSTRUMENTS IN A NON-EXEMPT OFFER FROM THE DISTRIBUTOR WILL DO SO, AND OFFERS AND SALES OF SUCH INSTRUMENTS TO AN INVESTOR BY THE DISTRIBUTOR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN THE DISTRIBUTOR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE INVESTOR MUST LOOK TO THE DISTRIBUTOR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE DISTRIBUTOR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER, THE PURCHASER OR THE ARRANGER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF ANY SUCH INFORMATION.</b></p>

## Section B – Issuer

Element	Description of Element	Disclosure requirement
B.1	Legal and Commercial Name of the Issuer	Palladium Securities 1 S.A (the “ <b>Company</b> ”) acting in respect of its Compartment 143-2014-18.
B.2	Domicile /Legal Form /Legislation /Country of Incorporation	The Company is domiciled in Luxembourg and is a public limited liability company ( <i>société anonyme</i> ) incorporated under the laws of the Grand Duchy of Luxembourg.
B.16	Control of Issuer	The Company has 181,818 ordinary shares, all of which are fully paid and are held by two companies, The Freesia Charitable Trust and Anson Fund Managers Limited, on trust for charitable purposes. Such holders have no beneficial interest in and derive no benefit (other than any expenses for acting as share trustee) from their holding of the issued shares. They will apply any income derived by them from the Company solely for charitable purposes.
B.17	Credit ratings	Not Applicable. The Instruments are unrated.
B.20	Special Purpose Vehicle	The Company is a special purpose vehicle for the purpose of issuing asset backed securities.
B.21	Principal activities and global overview of parties	<p>The Company’s principal activities are to enter into, perform and serve as a vehicle issuing asset backed securities for any securitisation transactions as permitted under the Securitisation Act 2004.</p> <p>Deutsche Trustee Company Limited of Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom, or the replacement trustee (the “<b>Replacement Trustee</b>”) selected by the Hedging Counterparty, in the event that the Hedging Counterparty elects in its sole and absolute discretion to appoint the Replacement Trustee as Trustee following the occurrence of a Replacement Event in accordance with the General Trust Terms as amended by the Series Instrument, will act as trustee in respect of the Instruments (the “<b>Trustee</b>”). Deutsche Bank AG, acting through its London Branch, located at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom, will act as Arranger, Purchaser, Principal Agent, Paying Agent, Hedging Counterparty, Selling Agent, Listing Agent and Calculation Agent in respect of the Instruments. Deutsche Bank Luxembourg S.A. will act as Custodian and Luxembourg Paying Agent in respect of the Instruments. Deutsche Trustee Company Limited, Deutsche Bank AG, acting through its London Branch and Deutsche Bank Luxembourg S.A. are each members of the Deutsche Bank Group.</p> <p>Deutsche Bank Aktiengesellschaft (“<b>Deutsche Bank AG</b>”) is a banking institution and a stock corporation incorporated under the laws of Germany and has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.</p> <p>Deutsche Bank AG is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign</p>



	backed by same pool of assets	consolidated and form a single series with the existing Instruments of the Series; provided that, unless otherwise approved by Extraordinary Resolution of holders of Instruments (the “ <b>Instrumentholders</b> ”) of the Series, the Issuer shall provide additional assets to form part of the Series Assets for such further Instruments and existing Instruments.
B.28	Structure of the transaction	<p>The Instruments of the Series issued under the Programme are constituted by the Series Instrument (as amended, supplemented and/or restated from time to time, the “<b>Series Instrument</b>”) dated the Issue Date between, <i>inter alios</i>, the Issuer, the Principal Agent, the Trustee, the Custodian and the Hedging Counterparty.</p> <p>The Issuer may offer Instruments in the Series to retail clients, professional clients or other eligible counterparties.</p> <p>The Issuer will use the proceeds from the issue of the Instruments to purchase the Collateral and to enter into the Hedging Agreement, which will, along with the Issuer’s rights under the Hedging Agreement, any Hedging Collateral and any proceeds from any relevant Hedging Agreement, form part of the Series Assets. The Series Assets are exclusively allocated to the Compartment 143-2014-18 established by the board of directors of the Issuer in respect of the Instruments, will be kept separate from the other assets of the Issuer and the Company and will be secured in favour of the Trustee on behalf of the Series Parties.</p> <p><b>Collateral</b></p> <p>The Issuer will procure that any Collateral constituting “liquid assets and securities” for the purposes of Article 22 of the Securitisation Act 2004 is delivered to the Custodian on the Issue Date. The Custodian will then hold such Collateral on behalf of the Issuer subject to the security created in favour of the Trustee, the conditions set out in the Securitisation Act 2004 and to the terms of the Series Instrument.</p> <p><b>Security</b></p> <p>Instruments shall be secured in favour of the Trustee for the benefit of the Series Parties by a security interest over the Series Assets and the Issuer’s rights against the Agents and the Custodian in respect of the Instruments, and will also be secured by an assignment of the Issuer’s rights under the Hedging Agreement.</p> <p><b>Hedging Agreement</b></p> <p>The Issuer will enter into a Hedging Agreement with the Hedging Counterparty, pursuant to which the Issuer will be entitled to receive certain agreed payment amounts.</p> <p>The Hedging Counterparty may be required to provide hedging collateral pursuant to the terms of the Credit Support Document (“<b>Hedging Collateral</b>”) in order to support its obligations under the Hedging Agreement. The Issuer will not be obliged to collateralise its obligation under the Hedging Agreement.</p> <p>The Issuer will procure that any Hedging Collateral constituting “liquid assets and securities” for the purposes of Article 22 of the Securitisation Act 2004 will be delivered to the Custodian and subject thereto, such Hedging Collateral will be held by the Custodian on behalf of the Issuer and subject to the security created. The Hedging Collateral is subject to the rights of the Hedging Counterparty to request from time to time redelivery of the Hedging Collateral pursuant to the terms of the Hedging Agreement. See item B.29 below. In the event of an early termination of the Instruments, the Issuer or the Selling Agent will realise any Collateral and terminate the Hedging Agreement and the Issuer will pay to the Instrumentholders the Early Termination Amount in respect of the Instruments. See Item C.9 below.</p>
B.29	Description of cashflows	The Issuer for the Instruments will finance any payments to Instrumentholders as set out in the diagram below:

	and information on the Hedging Counterparty	 <p>This means that any income received by the Issuer from any Collateral will be exchanged with the Hedging Counterparty for an income stream that matches, in relation to rate and/or currency, the amounts to be paid under the Instruments.</p>
B.30	Originators of securitised assets	Deutsche Bank AG, London Branch. It is an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

### Section C – Securities

Element	Description of Element	Disclosure requirement
C.1	Type and class of securities being offered / International Securities Identification Number / Common Code	The Instruments are limited recourse obligations of the Issuer.  ISIN: XS1093823968  Common Code: 109382396
C.2	Currency	Subject to compliance with all relevant laws, regulations and directives, the Instruments are denominated in euro.
C.5	Restrictions on free transferability	There are restrictions on sales of Instruments into, amongst other jurisdictions, the United States and the European Economic Area (including the United Kingdom, Belgium, Germany, Italy, Austria, Spain and Portugal). These restrictions are mainly targeting offerings to the public in the specific jurisdiction unless certain exceptions apply.  <i>Void transfer or other disposition and forced transfer</i>  Any transfer or other disposition of any legal or beneficial ownership interest in an Instrument to a Non-Permitted Transferee or Benefit Plan Investor shall be deemed to be void <i>ab initio</i> and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in an Instrument in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Instrument,

		<p>and the Issuer shall be entitled to cease to make any payments in respect of Instruments held by a Non-Permitted Transferee or a Benefit Plan Investor.</p> <p>At any time after becoming aware that any legal or beneficial ownership interest in an Instrument is held by a Non-Permitted Transferee or a Benefit Plan Investor, the Issuer shall give notice to the Trustee, the Custodian and the Calculation Agent and shall have the right to require such Non-Permitted Transferee or Benefit Plan Investor to sell such interest to (a) the Arranger or to any of its Affiliates (to the extent permitted by applicable law) or (b) a person who is neither a Non-Permitted Transferee nor a Benefit Plan Investor, in each case, at a price equal to the lesser of (x) the purchase price paid for such interest by such Non-Permitted Transferee or Benefit Plan Investor, (y) the principal amount of such interest and (z) the fair market value of such interest, less any costs or expenses incurred by or on behalf of the Issuer in connection with such sale.</p> <p>Where:</p> <p><b>“Benefit Plan Investor”</b> means:</p> <ul style="list-style-type: none"> <li>(a) an employee benefit plan (as defined in section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended, (“ERISA”)), whether or not subject to ERISA;</li> <li>(b) a plan described in section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended; or</li> <li>(c) an entity whose underlying assets include plan assets by reason of a plan's investment in the entity under US Department of Labor Regulations § 2510.3-101 (29 c.f.r. § 2510.3-101).</li> </ul> <p><b>“Non-Permitted Transferee”</b> means:</p> <ul style="list-style-type: none"> <li>(a) a U.S. person as defined in Rule 902(k)(1) of Regulation S of the Securities Act; or</li> <li>(b) a person who comes within any definition of U.S. person for the purposes of the Commodity Exchange Act of 1936, as amended, or any rule, guidance or order proposed or issued by the Commodity Futures Trading Commission (the “CFTC”) thereunder (including but not limited to any person who is not a “Non-United States person” under CFTC Rule 4.7(a)(1)(iv) (excluding for purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not “Non-United States persons”)).</li> </ul>
C.8	Conditions of the securities	<p>The Instruments have terms and conditions relating to, among other matters:</p> <p><b>Withholding Tax</b></p> <p>If, on the occasion of the next payment due in respect of the Instruments, the Issuer would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount due, the Issuer will use all reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction as the principal obligor or to change its residence for taxation purposes or, to the extent permitted by law, change its domicile to another jurisdiction. If the Issuer is unable to arrange such substitution or change, or if the Issuer is unable to carry out such substitution or change in a tax efficient manner before the next payment is due in respect of the Instruments, the Issuer shall cancel all of those Instruments.</p> <p>All payments in respect of the Instruments will be subject (i) to all laws requiring the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise</p>

imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) (“**FATCA**”). The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Instrumentholder shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Instruments, including without limitation pursuant to FATCA. The Issuer shall have the right, but shall not be obliged (unless obliged under FATCA or other law), to withhold or deduct from any amount payable to the Instrumentholder, such amount or portion as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

#### **Events of Default**

The Instruments contain the following Events of Default:

- (a) default in the payment of any sum due in respect of the Instruments or any of them is made for a period exceeding the applicable Grace Period; or
- (b) failure by the Issuer to perform or observe any of its other obligations under the Instruments, the Series Instrument, in certain cases continuing for a specified period of time; or
- (c) events relating to the winding-up or dissolution of the Issuer or the Company or the appointment of an administrator.

“**Grace Period**” means a period of 30 days, which is equal to the grace periods applicable to the payment of principal and interest due in respect of the Collateral before an event of default may be declared.

#### **Governing Law**

The Instruments are governed by English law. Articles 86 to 97 of the Companies Act 1915, as amended, are excluded.

#### **Replacement of Trustee**

Upon the occurrence of a Replacement Event, the Hedging Counterparty may acting in its sole and absolute discretion elect to replace the party acting in the capacity of Trustee at that time (the “**Outgoing Trustee**”) with the Replacement Trustee in accordance with the General Trust Terms as amended by the Series Instrument. The Hedging Counterparty shall effect such replacement by giving notice to the Issuer, the Outgoing Trustee and the Replacement Trustee of such election. The Hedging Counterparty shall not incur any liability as to the consequences of its election to deliver, or to not deliver, such notice and shall not have any regard to the effect of such action.

“**Replacement Event**” means where the Hedging Counterparty acting in its sole and absolute discretion determines that for legal, regulatory or other similar reasons, it is in the interests of any Series Party (excluding the Trustee) to replace the Trustee.

#### **Status, Security and Ranking**

The Instruments are limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves.

The Instruments are secured by:

- (a) (i) a first fixed charge and/or assignment by way of first fixed charge in favour of the Trustee of the Collateral and all of the Issuer’s rights in respect of and

		<p>sums derived from the Collateral and (ii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights in respect of the Collateral against the Custodian;</p> <p>(b) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Hedging Agreement and any sums of money, securities or other property received or receivable by the Issuer thereunder;</p> <p>(c) a first fixed charge in favour of the Trustee over (i) the Issuer's right to all sums held by the Principal Agent and/or any Paying Agent and/or the Custodian to meet payments due in respect of the Instruments and under the Series Instrument and (ii) any sums of money, securities or other property received or receivable by the Issuer under the Hedging Agreement;</p> <p>(d) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Agency Agreement and the Purchase Agreement and all sums derived therefrom in respect of the Instruments;</p> <p>(e) to the extent that at any time the Collateral has not been delivered to the Custodian (or, if so specified in the Purchase Agreement, any sub-custodian) to be held on behalf of the Issuer as provided in the Purchase Agreement, an assignment by way of first fixed charge in favour of the Trustee of the Issuer's rights, title and interest under the Purchase Agreement and any sums received or receivable by the Issuer thereunder; and</p> <p>(f) (i) a first fixed charge and/or assignment by way of first fixed charge in favour of the Trustee over the Hedging Collateral and all of the Issuer's rights in respect of any proceeds of the sale thereof and (ii) an assignment by way of first fixed charge in favour of the Trustee of all the Issuer's rights in respect of the Hedging Collateral against the Custodian (to the extent of any Hedging Collateral held by the Custodian).</p> <p><b>Limited Recourse</b></p> <p>Claims against the Issuer by Instrumentholders and the Hedging Counterparty and each other creditor relating to the Instruments will be limited to the Series Assets applicable to the Instruments. If the net proceeds of the realisation of the Series Assets are not sufficient to make all payments due in respect of the Instruments and due to the Hedging Counterparty and each other creditor relating to the Instruments, no other assets of the Company will be available to meet such shortfall, the claims of the holders of the Instruments and any such Hedging Counterparty or other creditors relating to the Instruments in respect of any such shortfall shall be extinguished. No party will be able to petition for the winding-up of the Company as a consequence of any such shortfall or launch proceedings against the Company which are based on article 98 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended.</p> <p><b>Order of Priorities</b></p> <p>The respective rankings for priority of the interest of the Instrumentholders, the Hedging Counterparty and any other party entitled to the benefit of the security interests (each a "<b>Series Party</b>") of the Instruments shall be according to the relevant priority of each of the payments described below.</p> <p>The Trustee shall apply all moneys received by it in the following order:</p> <p>(a) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Series Instrument;</p>
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		<p>(b) secondly, <i>pro rata</i> in payment of any amounts owing to: (i) the Hedging Counterparty under the Hedging Agreement (which shall include any amounts owing to the Custodian for reimbursement in respect of payments made to a Hedging Counterparty relating to sums receivable on or in respect of the Collateral) and (ii) the Principal Agent for reimbursement in respect of any payment made to the Instrumentholders or to a Clearing Agent on behalf of such holders;</p> <p>(c) thirdly, <i>pro rata</i> in payment of any amounts owing to the Instrumentholders; and</p> <p>(d) fourthly, in payment of the balance to the Issuer,</p> <p>such ranking a “<b>Hedging Counterparty Priority</b>”.</p> <p><b>Negative Pledge/Restrictions</b></p> <p>There is no negative pledge. However, for so long as any of the Instruments remain outstanding, the Issuer will not, without the prior written consent of the Trustee, incur any indebtedness for moneys borrowed or raised other than in respect of secured securities or debt subject to equivalent enforcement and limited recourse provisions to the Instruments, engage in any activity other than certain activities related to the Instruments or such permitted securities or debt, have any subsidiaries or employees, purchase, own or otherwise acquire any real property, or consolidate or merge with any other person or issue any shares.</p>
C.9	Interest/ Redemption	<p>See item C.8 above for information on rights attaching to the Instruments.</p> <p><b>Interest</b></p> <p>The Instruments bear interest at a fixed rate from the Issue Date to the Interest Rate Switch Date and shall thereafter bear interest at a floating rate each at the applicable Interest Rate, such interest being payable in arrear on each specified Interest Payment Date.</p> <p><i>Interest Rate and Yield</i></p> <p>The Interest Rate for the Instruments from the Issue Date to the Interest Rate Switch Date is 1.50 per cent. per annum, and the Interest Amount for each applicable Interest Period shall be equal to EUR 15.00 per Instrument. Yield is calculated in accordance with the ICMA Method. The ICMA Method determines the effective interest rate for securities taking into account accrued interest on a daily basis.</p> <p>The Interest Rate for each Interest Period from the Interest Rate Switch Date to the Maturity Date shall be determined by reference to 12-month EURIBOR on the relevant Interest Determination Date. If no such rate appears on the applicable page at the relevant time on the Interest Determination Date, the rate shall be determined by the Calculation Agent using certain fallback methods.</p> <p>“<b>EURIBOR</b>” means the rate for deposits in EUR which appears on the Reuters Screen EURIBOR01 Page (or any Successor Source).</p> <p>The Interest Rate for each Interest Period from the Interest Rate Switch Date to the Maturity Date shall be subject to a Minimum Interest Rate of 0.50 per cent. per annum and a Maximum Interest Rate of 3.00 per cent. per annum.</p> <p><i>Day Count Fraction</i></p> <p>The applicable Day Count Fraction for the calculation of the amount of interest due</p>

within an Interest Period will be 30/360 for the Instruments.

*Interest Periods*

The Interest Periods are the periods commencing on (and including) the Issue Date to (but excluding) the first Interest Accrual Date and each period commencing on (and including) an Interest Accrual Date to (but excluding) the next following Interest Accrual Date.

*Issue Date and Interest Commencement Date*

The Issue Date will be 12 September 2014.

*Interest Payment Dates*

The Interest Payment Dates will be 12 September in each year from and including 12 September 2015 and to and including 12 September 2019, and 28 August 2020, or if such day is not a Payment Day, the next following Payment Day.

*Interest Determination Date*

The Interest Determination Date with respect to an Interest Period will be the day falling two Banking Days prior to the first day of each Interest Period.

*Interest Accrual Dates*

The Interest Accrual Dates for the Instruments will be 12 September in each year from and including 12 September 2015 to and including 12 September 2019, and 28 August 2020.

*Interest Rate Switch Date*

The Interest Rate Switch Date for the Instruments is 12 September 2016.

**Redemption**

*Maturity*

Unless previously redeemed or purchased and cancelled, each Instrument will be redeemed by the Issuer by payment of the Final Redemption Amount on the Maturity Date which is the Interest Payment Date scheduled to fall in August 2020.

*Early Termination of the Instruments*

The Instruments may be cancelled early in a number of circumstances:

- (A) Collateral Default Event: If a default, event of default or other similar event or circumstance occurs with respect to any of the Collateral (howsoever described and including, without limitation, a failure to pay any principal or interest when and where due in accordance with the terms of the Collateral as at the Issue Date) (a “**Collateral Default Event**”), the Instruments shall be cancelled in whole or in part and the Issuer shall pay the Early Termination Amount which will include an amount equal to any accrued but unpaid interest.
- (B) Collateral early redemption: If any of the Collateral becomes repayable (otherwise than at the option of the relevant Collateral Obligor in accordance with the terms of the Collateral) or becomes capable of being declared due and payable prior to its stated date of maturity for whatever reason, the Instruments shall be cancelled in whole or in part and the Issuer shall pay the Early Termination Amount which will include an amount equal to any accrued but

		<p>unpaid interest.</p> <p>(C) <u>Cancellation for tax reasons</u>: If the Issuer would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount due, and the Issuer has been unable to arrange substitution or change of itself as Issuer, or is unable to do so in a tax efficient manner, before the next payment is due in respect of the Instruments, the Instruments shall be cancelled in whole and the Issuer shall pay the Early Termination Amount which will include an amount equal to any accrued but unpaid interest.</p> <p>(D) <u>Redemption at option of the Issuer for Regulatory Event</u>: If, in the determination of the Calculation Agent, any of the following occur (including, without limitation, in connection with the application of the Alternative Investment Fund Managers Directive 2011/61/EU): (a) as a result of an implementation or adoption of, or change in, law, regulation, interpretation, action or response of a regulatory authority or (b) as a result of the promulgation of, or any interpretation by any court, tribunal, government or regulatory authority with competent jurisdiction (a “<b>Relevant Authority</b>”) of any relevant law or regulation or (c) as a result of the public or private statement or action by, or response of, any Relevant Authority or any official or representative of any Relevant Authority acting in an official capacity, such that it is or will be unlawful or there is a reasonable likelihood of it being unlawful for (i) the Issuer to maintain the Instruments or that the maintenance of the existence of the Instruments would make it unlawful to maintain the existence of any other instruments issued by the Issuer or, (ii) for the Issuer or Deutsche Bank AG, London Branch in its capacity as Arranger to perform any duties in respect of the Instruments (a “<b>Regulatory Event</b>”), the Instruments shall be cancelled in whole and the Issuer shall pay the Early Termination Amount which will include an amount equal to any accrued but unpaid interest, such that the amount payable on the date on which any Early Termination Amount is due to be paid shall comprise the Early Termination Amount only.</p> <p>(E) <u>Termination of the Credit Support Document</u>: If the Credit Support Document is terminated prior to the Maturity Date for any reason, the Instruments shall be cancelled in whole and the Issuer shall pay the Early Termination Amount which will include an amount equal to any accrued but unpaid interest.</p> <p>(F) <u>Early Termination of the Hedging Agreement</u>: If the Hedging Agreement is terminated in accordance with its terms prior to the Hedging Agreement Termination Date, the Instruments shall be cancelled in whole and the Issuer shall pay the Early Termination Amount which will include an amount equal to any accrued but unpaid interest.</p> <p>In any such case of early cancellation described in (A), (B), (C), (D), (E) or (F) above the Issuer shall give not more than 30 nor less than 15 days’ notice (or not more than 30 nor less than 10 days’ notice in respect of paragraph (D)) of the date fixed for cancellation and on expiry of such notice (i) the Issuer shall cancel the outstanding Instruments of the Series in whole or in part, as applicable, (ii) the relevant portion of the Series Assets will be realised in accordance with the Securitisation Act 2004, if applicable, and (iii) the security constituted by or created pursuant to the Series Instrument shall become enforceable in whole or in part.</p> <p>(G) <u>Event of Default</u>: If an Event of Default occurs (as described in C.8 above) then the Instruments shall be cancelled and the Issuer shall pay the Early Termination Amount in respect of each Instrument.</p>
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*Early Termination Amount*

The Early Termination Amount (if any) due in respect of each Instrument following the occurrence of an Event of Default, a termination of the Credit Support Document, an early termination of the Hedging Agreement, a cancellation for tax reasons, a Collateral Default Event, a Collateral early redemption or a redemption at the option of the Issuer for a Regulatory Event shall be an amount equal to such Instrument's *pro rata* share of an amount in the Specified Currency (which may never be less than zero) determined by the Calculation Agent in accordance with the following formula:

A - B

Where:

“A” is the Market Value Collateral, converted into the Specified Currency at the relevant exchange rate applicable at such time, as determined by the Calculation Agent in its reasonable discretion; and

“B” is the Early Termination Unwind Costs.

The Early Termination Amount will include an amount equal to any accrued but unpaid interest.

“**Collateral Currency**” means the currency in which the Collateral is denominated.

“**Early Termination Unwind Costs**” means the sum (the result of which may be positive, negative or zero) of:

(a) an amount, if any, determined by the Calculation Agent acting in good faith and a commercially reasonable manner, equal to the gain or loss realised by the Hedging Counterparty upon an unwind of the Hedging Agreement (expressed as a negative amount if a gain, and as a positive amount otherwise), taking into account (i) the sum of (without duplication) all amounts, costs, expenses (including loss of funding), tax and duties incurred by or payable to the Hedging Counterparty and (ii) the redemption of the Instruments and the related termination, settlement or re-establishment of any hedge or related trading position (but, for the avoidance of doubt in determining any such gain or loss, the obligation of the Hedging Counterparty under the Hedging Agreement to make payment of the aggregate Early Termination Amounts and any obligation of the Issuer under the Hedging Agreement to deliver the Collateral Item(s) in connection with the early termination shall be disregarded), and with (i) and (ii) above to be determined by the Calculation Agent, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, by reference to such factors as it sees fit, including, without limitation, hedging arrangements, unwind and termination costs, commissions, fees and any arrangements entered into with third parties as well as:

- (1) market variables including interest rates and implied volatility; and
- (2) costs to the Hedging Counterparty of unwinding any underlying related hedging arrangements; and (without duplication)

(b) (expressed as a positive amount) any legal and other ancillary costs (including if applicable, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee, the Custodian or the Hedging Counterparty as a result of the Instruments becoming subject to mandatory cancellation following an Event of Default, an early termination of the Hedging Agreement, a termination of the Credit Support Document, a cancellation for tax reasons, a Collateral Default Event, a Collateral early redemption or a redemption at the option of the Issuer for a Regulatory Event.

“**Early Termination Valuation Date**” means:

		<p>(a) for the purposes of a cancellation due to a Collateral Default Event, a Collateral early termination, a cancellation for tax reasons, a redemption at the option of the Issuer for a Regulatory Event, a termination of the Credit Support Document or an early termination of the Hedging Agreement, the Business Day immediately preceding the due date for cancellation; or</p> <p>(b) for the purposes of a cancellation due to the occurrence of an Event of Default, the due date for cancellation.</p> <p>“<b>Market Value Collateral</b>” means, in respect of each item of Collateral, (i) where the Collateral has not been redeemed, an amount in the relevant Collateral Currency calculated by the Calculation Agent equal to the highest firm bid quotation obtained by the Calculation Agent from the Reference Banks for the Collateral (excluding accrued but unpaid interest in respect thereof) on the relevant Early Termination Valuation Date provided that if no firm bid quotation is obtained, the Market Value Collateral shall be calculated by the Calculation Agent in good faith and may in certain circumstances be zero, or (ii) in circumstances where the Collateral has been redeemed, the proceeds of redemption of the Collateral.</p> <p><b>Payments in respect of Global Instruments</b></p> <p>All payments in respect of Instruments represented by a Global Instrument will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Instruments, surrender of that Global Instrument to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Instrumentholders for such purpose. A record of each payment so made will be endorsed on each Global Instrument, which endorsement will be prima facie evidence that such payment has been made in respect of the Instruments.</p> <p><b>Payments in respect of Instruments in definitive form</b></p> <p>Payments of principal and interest in respect of the Instruments in definitive form shall, be made against presentation and surrender of the relevant Instruments at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in such currency with a bank nominated by such holder presenting such Instrument.</p> <p><b>Meetings</b></p> <p>The Instruments contains provisions for convening meetings of Instrumentholders to consider matters affecting their interests generally with respect to the Instruments. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p>
C.10	Derivative component of securities	Not applicable. The Instruments do not have a derivative component in the interest payment. See item C.9 above for information on interest and redemption.
C.11	Trading of securities	Application is expected to be made for the Instruments of the Series to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, with effect from the Issue Date or thereabouts.
C.12	Minimum denomination	The minimum denomination of an issue of Instruments is EUR 1,000.

## Section D – Risks

<b>Element</b>	<b>Description of Element</b>	<b>Disclosure requirement</b>
D.2	Key risks specific to the Issuer	Factors which could materially adversely affect the Company and its ability to make payments due under the Instruments include matters of Luxembourg law (such as the Company being structured to be insolvency-remote, not insolvency-proof, changes to the Issuer’s tax position adversely affecting cash flows in connection with the Instruments, and the provisions of the Securitisation Act 2004 providing that Series Assets of a Compartment are only available for the Series Parties of the Series relating to that Compartment), the Instruments being limited recourse obligations (meaning that an Instrumentholder’s claim may be extinguished if there is a shortfall in funds available to meet payments under the Instruments) and related risks and further issues of Instruments by the Issuer.
D.3	Key risks specific to the securities	There are also certain factors which are material for the purpose of assessing the risks associated with the Instruments. These include the fact that such Instruments may not be a suitable investment for all investors (for example if they do not have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Issuer in context of their financial position or are not capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time), the Hedging Agreement (for example its possible early termination in various circumstances which would result in the cancellation of the Instruments) and the related credit exposure to the Hedging Counterparty, credit exposure to the Collateral Obligor (as this will affect the value of the Collateral held as security for the Instruments), early cancellation of the Instruments which may lead to a loss of investment, fluctuations and decreases in the market value of the Instruments and the market value of the Collateral (for example due to a change in circumstances of the Collateral Obligor and/or a change in the level of the Australian inflation rate used to determine the interest and principal amounts payable in respect of the Collateral and the AUD-EUR exchange rate) which will also affect the value of the Instruments and the Hedging Agreement, and the amounts paid on any cancellation of the Instruments, if the Early Termination Amount is payable, no interest will be payable whatsoever, tax risks (for example that if any withholding or deduction for taxes is required, the Issuer may redeem all the Instruments), that no secondary market may exist for the Instruments meaning that investors may not be able to realise their investment prior to maturity and a transfer of any Instruments to a non-permitted transferee will be void and, in any event, would require the transferee to procure the transfer of such Instruments to a permitted party, business relationships between the parties to the Instruments, conflicts of interest which may adversely affect the value of the Instruments, that following the occurrence of a Replacement Event the Hedging Counterparty may elect in its sole and absolute discretion to replace the party acting in the capacity of Trustee at that time with a replacement trustee selected by the Hedging Counterparty and that although Instruments will have the benefit of security interests over all the Series Assets of the Compartment, the Securitisation Act 2004 provides that the Series Assets for the Instruments are available to meet only the claims of the Series Parties for the Series. If the Series Assets are not sufficient to discharge all payments obligations of the Issuer in accordance with the applicable priority of payments, Instrumentholders may lose their entire investment.

## Section E – Offer

<b>Element</b>	<b>Description of Element</b>	<b>Disclosure requirement</b>
E.2b	Reasons for the offer and use of	The net proceeds from the of Instruments will be used to acquire the Collateral in respect of the Instruments, to pay for, or enter into, the Hedging Agreement in connection with the Instruments and to pay expenses in connection with the administration of the

	proceeds	Company or the issue of the Instruments.
E.3	Terms and conditions of the offer	The offer to invest in the Instruments is made from 20 August 2014 to 9 September 2014. The minimum amount of application is EUR 1,000 in nominal amount of the Instruments and the maximum amount of application will be subject only to availability at the time of the application. Payments by investors in respect of the purchase of the Instruments shall be made by the Issue Date. The results of the offer are expected to be published on the website of the Luxembourg Stock Exchange ( <a href="http://www.bourse.lu">www.bourse.lu</a> ) and will be filed with the CSSF in accordance with Article 10 of the Prospectus Act 2005 in each case on or around the Issue Date. The Global Instruments will be delivered to the relevant clearing system no later than on the Issue Date.
E.4	Material interests in the offer	<p>The following constitute material interests with respect to the issue and/or offer of Instruments:</p> <p>The Purchaser has offered the Instruments to the Distributor at a price (the “<b>Re-offer Price</b>”) per Instrument of 99.00 per cent. of the Issue Price, a discount to the Issue Price equivalent to a maximum yearly fee of approximately 0.17 per cent. per annum thereon. The Offer Price is the price at which investors will subscribe for Instruments.</p> <p>The Re-offer Price reflects the discount on the Offer Price granted by the Purchaser to the Distributor on the sale of the Instruments to the Distributor in satisfaction of the distribution-related fee agreed between the Purchaser and the Distributor. Further information on the Re-Offer Price is available from Deutsche Bank, AG.</p> <p>The Instruments will be offered at the Issue Price (EUR 1,000 per Instrument). In addition to the Offer Price the Distributor will charge investors a subscription fee per Instrument of up to 2.00 per cent. of the Offer Price as set out in item E.7 below. The amount of the subscription fee will be determined by the Distributor in its sole and absolute discretion, and will be notified to investors.</p> <p>The Arranger may at any time purchase Instruments. Any Instruments so purchased may be held or resold by the Arranger.</p>
E.7	Estimated expenses	A subscription fee of up to 2.00 per cent. of the Issue Price of EUR 1,000 shall be payable by purchasers of Instruments to the Distributor.

## RISK FACTORS

*There are risks associated with an investment in the Instruments. Potential investors should ensure that they understand fully the nature of the Instruments, as well as the extent of their exposure to risks associated with an investment in the Instruments and should consider the suitability of an investment in the Instruments in light of their own particular financial, fiscal and other circumstances.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Instruments issued under this Prospectus, but a decline in the value of, or the payments due under, the Instruments and/or the inability of the Issuer to pay amounts on or in connection with any Instruments may occur for other reasons. The Issuer does not represent that the statements below regarding the risks of holding Instruments are exhaustive. To evaluate the merits and the risks of an investment in the Instruments, potential investors should conduct such independent investigation and analysis as they each deem appropriate, on the terms of the Instruments, the Issuer, the Series Assets, the Collateral, the security arrangements, the Hedging Counterparty, the Hedging Agreement, or other agreement entered into by the Issuer in respect of the Instruments. They should also consider all other relevant market and economic factors, and their own personal circumstances. Investors should read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. The Arranger, the Purchaser, the Custodian and the Trustee disclaim any responsibility to advise any investor of the risks and investment considerations associated with the purchase of the Instruments. The Instruments are not guaranteed by the Arranger, the Purchaser or any of their respective affiliates and none of the Arranger, the Purchaser and any of their respective affiliates has or will have any obligations in respect of the Instruments. The Instruments will represent secured limited recourse obligations of the Issuer only. The ranking relating to the Instruments will be one of Hedging Counterparty Priority.*

### **A. Risk Factors relating to the Company**

#### **1 Securitisation Act 2004 and Compartments**

The Company is established as a *société anonyme* (public liability limited company) within the meaning of the Securitisation Act 2004. This means that claims against the Company by holders of each series of instruments will be limited to the net assets of the relevant Series included in the relevant Compartment. Further, under the Securitisation Act 2004, the proceeds of the Series Assets for each Series are available only for distribution to the specified Instrumentholders and other creditors relating to such Series (each such party, a “**Series Party**”). A creditor of the Company may have claims against the Company in respect of more than one Series, in which case the claims in respect of each individual Series will be limited to the Series Assets relating to such Series only. Assets held in different Compartments of the Company are deemed to be assets of separate entities for the purpose of creditors. The Board of the Company may establish one or more compartments (together, the “**Compartments**” and each, a “**Compartment**”). Each Compartment is a separate and distinct part of the Company’s estate (*patrimoine*) which may be distinguished by the nature of acquired risks or assets, the Conditions of the Instruments issued in relation to the Compartment, and the reference currency or other distinguishing characteristics. The specific objects of each Compartment and the Conditions of the Instruments issued in respect of it shall be determined by the Board. Each Instrumentholder shall be deemed to fully adhere to, and be bound by, the Conditions applicable to the relevant Instruments and the Articles. In respect of the Instruments, the Board has established Compartment 143-2014-18.

Subject as may be specified in the Articles and to any particular rights or limitations for the time being attached to the Instruments, including, without limitation, the Conditions, if the net assets of a Compartment are liquidated, the proceeds of liquidation shall be applied in the order set out in the Conditions.

The rights of Instrumentholders issued in respect of a Compartment and the rights of creditors are limited to the assets of that Compartment, where these rights relate to that Compartment or have arisen at the occasion of the constitution, the operation or the liquidation of the relevant Compartment. The assets of a Compartment are, in principle, available only to satisfy the rights of holders of Instruments issued in relation to that Compartment and the rights of creditors whose claims have arisen at the occasion of the constitution, the operation or the liquidation of that Compartment.

Fees, expenses and other liabilities incurred on behalf of the Company but which do not relate specifically to any Compartment may, under certain circumstances, be payable out of the assets allocated to Compartments. The Board shall ensure, to the extent possible (although there is no guarantee that the Board will be able to achieve this), that creditors of such liabilities expressly waive recourse to the assets of any Compartment.

The Board shall establish and maintain separate accounting records for each of the Compartments of the Company for the purposes of ascertaining the rights of holders of Instruments issued in respect of each Compartment for the purposes of the Articles and the Conditions, and such accounting records shall be conclusive evidence of such rights in the absence of manifest error.

The assets of the Compartment 143-2014-18 (the “**Series Assets**”) will include the Collateral, the Hedging Agreement, any Hedging Collateral and any proceeds from the Hedging Agreement. The fees, costs and expenses in relation to the Instruments of each Series are allocated to the Compartment relating to the relevant Series in accordance with the relevant Conditions and the Articles. Instrumentholders will have recourse only to the Series Assets.

## **2 Limited Recourse**

The rights of Instrumentholders to participate in the assets of the Issuer are limited to the Series Assets relating to Compartment 143-2014-18. If the payments received by the Issuer in respect of the Series Assets are not sufficient to make all payments due in respect of the Instruments, the obligations of the Issuer in respect of the Instruments will be limited to such Series Assets, as specified in the Conditions. Following application of the proceeds of realisation of the Series Assets in accordance with the Conditions, the claims of the Instrumentholders, the Hedging Counterparty and any other Series Parties for any shortfall shall be extinguished and the Instrumentholders, the Hedging Counterparty and the other Series Parties (and any person acting on behalf of any of them) may not take any further action to recover such shortfall. Failure to make any payment in respect of any such shortfall shall not constitute an event of default under the Conditions, and any shortfall shall be borne by the Instrumentholders, the Hedging Counterparty and any other Series Party according to the priorities specified in the Conditions. Instrumentholders will rank behind the Trustee in priority in relation to the receipt of any proceeds of the realisation or enforcement of the Series Assets and will also rank behind the Hedging Counterparty even where the realisation or enforcement of the Series Assets has arisen as a result of an event of default (as defined in the Hedging Agreement) relating to the Hedging Counterparty.

Instrumentholders should be aware that, in the event of a shortfall, (i) neither the Company nor the Issuer shall be under any obligation to pay, and the other assets (if any) of either the Company or of the Issuer including, in particular, assets securing other series of instruments will not be available for payment of, such shortfall, (ii) all claims in respect of such shortfall shall be extinguished and (iii) the Trustee, the Instrumentholders and any counterparty of the Issuer in respect of the Instruments shall have no further claim against the Issuer or the Company in respect of such unpaid amounts.

To give effect to the provisions of the Securitisation Act 2004 under which the Series Assets of a Compartment are available only for the Series Parties for the relevant Series relating to that Compartment, the Issuer will seek to contract with parties on a “limited recourse” basis such that claims against the Issuer in relation to each Series would be restricted to the Series Assets of the Compartment for the relevant Series. In addition, the Issuer will seek to contract with parties on a “non-petition” basis. Provided such parties have agreed a non-petition clause, no such party will be able to petition or take any other step for the winding-up, the liquidation or the bankruptcy of the Company or any other similar insolvency related proceedings.

However, there is no guarantee that the Issuer will be able to contract on a limited recourse and non-petition basis with respect to all agreements that the Issuer may enter into from time to time in relation to any particular Series. There may be creditors whose claims are preferred by law.

The Series Assets may be subject to claims by creditors other than the Series Parties, resulting in a shortfall in the amounts available to meet the claims of the Series Parties.

Investors in the Instruments may be exposed to competing claims of other creditors of the Company, the claims of which have not arisen in connection with the creation, the operation or the liquidation of the Compartment 143-2014-18, if foreign courts which have jurisdiction over assets of the Company allocated to the Compartment 143-2014-18 do not recognise the segregation of assets and the compartmentalisation, as provided for in the Securitisation Act 2004. The claims of these other creditors may affect the scope of assets which are available for claims of Instrumentholder and those of the Series Parties. If, as a result of such claims, a shortfall arises, such shortfall will be borne by the Instrumentholders and the Series Parties.

### **3 Allocation of Liabilities Among All Instrumentholders**

Any liability which is not a series-specific liability (that is, it does not relate to any Compartment in respect of which any series of instruments is issued) which is not otherwise funded may be apportioned between the Series. The apportionment of such liability will reduce the return that would otherwise have been payable on the Instruments. The Issuer will seek to contract with all counterparties on a limited recourse basis such that claims in respect of any liability which is not Series-specific may not be made in respect of the Series Assets of any Compartment.

### **4 Consequences of Winding-up Proceedings**

The Company is structured to be an insolvency-remote vehicle. The Company will seek to contract only with parties who agree not to make any application for the commencement of winding-up, liquidation or bankruptcy or similar proceedings against the Company. Legal proceedings initiated against the Company in breach of these provisions shall, in principle, be declared inadmissible by a Luxembourg court. However, if the Company fails for any reason to meet its obligations or liabilities, a creditor who has not (and cannot be deemed to have) accepted non-petition and limited recourse provisions in respect of the Company is entitled to make an application for the commencement of insolvency proceedings against the Company. In that case, such creditor should not have recourse to the assets of any Compartment but would have to exercise his rights over the general assets of the Company, unless his rights arise in connection with the “creation, operation or liquidation” of a Compartment, in which case the creditor would have recourse to the assets allocated to that Compartment but not to the assets of any other Compartment. Furthermore, the commencement of such proceedings may, in certain conditions, entitle creditors (including the Hedging Counterparty) to terminate contracts with the Company and claim damages for any loss suffered as a result of such early termination. The Company is insolvency-remote, not insolvency-proof.

### **5 Fees and Expenses**

Holders of Instruments should note that, in relation to the Instruments, fees and expenses (including fees payable to the Arranger, the Trustee and/or, unless otherwise stipulated, the Hedging Counterparty) rank senior to payments of principal and interest (if applicable) on the Instruments.

## **B. Risk Factors relating to the Instruments**

### **1 General**

**INSTRUMENTHOLDERS SHOULD BE FULLY AWARE OF THE CONDITIONS (INCLUDING, FOR THE AVOIDANCE OF DOUBT, THE PROVISIONS ON LIMITED RECOURSE, SUBORDINATION AND NON-PETITION AND CONDITIONS 7, 11, 12 AND 13).**

Any payment by the Issuer in respect of the Instruments is dependent upon the receipt by the Issuer of payments from the Collateral and the Hedging Agreement entered into or acquired by the Issuer with the proceeds of issue of the Instruments as described herein. Such payments may be restricted under their terms with the result that any return on the Instruments will be similarly restricted.

### **2 Introduction**

The rights of Instrumentholders to participate in the assets of the Issuer or the Company are limited to the Series Assets. If the payments received by the Issuer in respect of the Series Assets are not sufficient to make all payments due in respect of the Instruments, the obligations of the Issuer in respect of the Instruments of that Series will be limited to such Series Assets, as specified in the Conditions. Following application of the proceeds of realisation of the Series Assets in accordance with the Conditions, the claims of the Instrumentholders, the Hedging Counterparty and any other Series Parties for any shortfall shall be extinguished and the Instrumentholders, the Hedging Counterparty and the other Series Parties (and any person acting on behalf of any of them) may not take any further action to recover such shortfall. Failure to make any payment in respect of any such shortfall shall not constitute an event of default under the Conditions, and any shortfall shall be borne by the Instrumentholders, the Hedging Counterparty and any other Series Party according to the priorities specified in the Conditions. Instrumentholders will rank behind the Trustee in priority in relation to the receipt of any proceeds of the realisation or enforcement of the Series Assets and the Hedging Counterparty even where the realisation or enforcement of the Series Assets has arisen as a result of an event of default (as defined in the Hedging Agreement) relating to such Hedging Counterparty.

**POTENTIAL INVESTORS SHOULD RECOGNISE THAT INSTRUMENTHOLDERS BEAR A RISK OF A DEFAULT OF THE COLLATERAL AS WELL AS ANY DECLINE IN VALUE OF THE COLLATERAL. IF THE VALUE OF ANY COLLATERAL HAS DECLINED SINCE THE DATE OF PURCHASE, THE INSTRUMENTS MAY DECLINE IN VALUE AND HOLDERS SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THEIR INVESTMENT IN THE INSTRUMENTS.**

More than one risk factor may have simultaneous effect with regard to the Instruments such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Instruments.

### **3 Market Factors**

#### **3.1 Interest Rates**

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Instruments. Fluctuations in interest rates of the currency in which the Instruments are denominated may affect the value of the Instruments.

After the Interest Rate Switch Date the interest rate on the Instruments is linked to EURIBOR and investors are exposed to such fluctuations. The underlying interest rate could decline over the term of the Instruments. As a result, the market value of the Instruments could decline and investors might only be able to receive a return on the Instruments equal to the Minimum Interest Rate. It cannot be predicted whether the underlying interest rate, on any relevant Interest Determination Date, will be higher than the Minimum Interest Rate. Investors should therefore be prepared to receive an interest return on their Instruments which may be equal to the Minimum Interest Rate for the whole term of the Instruments.

Investors should also be aware that, in situations where the Instruments are redeemed early, the Interest Rate for the applicable Early Termination Interest Period will be zero.

Potential investors should also consider that where the underlying interest rate does not rise above the level of the Minimum Interest Rate, comparable investments in instruments which pay interest based on a fixed rate which is higher than the Minimum Interest Rate are likely to be more attractive to potential investors than an investment in the Instruments. Under those conditions, investors in the Instruments might find it difficult to sell their Instruments on the secondary market (if any) or might only be able to realise the Instruments at a price which may be substantially lower than the nominal amount.

Investors should be aware that the Interest Rate is capped at the Maximum Interest Rate level. Consequently, investors may not participate in any increase of market interest rates which may also negatively affect the market value of the Instruments.

Information with respect to the underlying interest rate may be available from publicly available sources, but no representation is made with respect thereto by any Series Party. Further, the historical level of the underlying does not indicate the future level of the underlying interest rate.

#### **3.2 Market Value**

The market value of the Instruments during their term depends primarily on the level and the volatility (if any) of the underlying interest rate and the performance of the Collateral and the Hedging Agreement and, in respect of any Interest Amounts payable, the level of interest rates for instruments of comparable maturities.

The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivative markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macroeconomic factors and speculation.

If the performance and/or creditworthiness of the Collateral, the Collateral Obligor and/or the Hedging Counterparty changes in such a way as would reduce the likelihood of receiving the Redemption Amount and/or there is a market perception that the performance and/or creditworthiness of the Collateral, the Collateral Obligor and/or the Hedging Counterparty is likely to change in this way during the remaining life of the Instruments, all other factors being equal, the market value of the Instruments will fall under normal conditions.

Investors should note that the market value of the Instruments can fall below their Specified Denomination.

Other factors which may influence the market value of the Instruments include changes in market expectations regarding the future performance of the underlying interest rate or performance and/or creditworthiness of the Collateral, the Collateral Obligor and/or the Hedging Counterparty and/or the Instruments. Volatility will be affected by a wide range of factors, including economic, political and market conditions. Accordingly, investors should note that they could lose part or all of their invested capital if they try to sell the Instruments prior to their maturity.

If, following the purchase of the Instruments, the market value of the Instruments falls below the purchase price paid for the Instruments, investors should not expect the market value of the Instruments to increase to or above the purchase price paid by the investor during the remainder of the term of the Instruments.

## 4 Collateral and Series Assets

### 4.1 Collateral

**4.1.1 Market price of the Collateral:** Instrumentholders may be exposed to fluctuations in the market price of the Collateral. If the issuer of the Collateral defaults on payment the Issuer will have no other assets with which to meet its obligations to Instrumentholders, and may have to sell the Collateral at its market price at that time. The market price of the Collateral will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the issuer of the Collateral.

**4.1.2 Early redemption for Collateral default:** If any of the Collateral in respect of the Instruments becomes repayable or becomes capable of being declared due and payable prior to its stated date of maturity, or if there is a payment default in respect of any of the relevant Collateral, the Issuer may be required to redeem such Instruments in whole or in part on the basis set out in Condition 7.3 (*Mandatory cancellation*). The amount payable to Instrumentholders will be calculated in accordance with the Conditions and may be less than the amount invested.

**4.1.3 Credit risk of Hedging Counterparty following redemption of the Collateral:** In certain circumstances some or all of the Collateral in respect of a Series may redeem early at the option of the relevant Collateral Obligor in accordance with its terms. In such circumstances, the Issuer shall redeem the Instruments in whole or in part on the basis set out in Condition 7.3 (*Mandatory Cancellation*). The amount payable to Instrumentholders will be calculated in accordance with the Conditions and may be less than the amount invested.

**4.1.4 Exposure to credit risks:** The Instruments will provide exposure, amongst other things, to the credit risk of each of the Issuer, the Hedging Counterparty and the Collateral, including to the credit risk of the Collateral Obligor.

**4.1.5 Country and Regional Risk of the Collateral:** The price and value of the Collateral, and/or the ability of the issuer of the Collateral to perform its obligations under the Collateral, may be influenced by the political, financial and economic stability of the country and/or region in which the issuer of or obligor in respect of the Collateral is incorporated or has its principal place of business or of the country in the currency of which the Collateral is 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.

**4.1.6 Final Redemption and Collateral:** On the Maturity Date of the Instruments, the aggregate redemption proceeds, or sale proceeds from the Selling Agent, of the Collateral are expected to be sufficient to repay the Instruments, or in the case of a final payment under the Hedging Agreement, to make the related payment thereunder. These proceeds will be used to pay the relevant redemption amount then due in respect of each such Instrument, being the nominal amount of the Instrument.

However, if the Collateral Obligor is not able to redeem the Collateral held by the Issuer, the Issuer will be unable to redeem the Instruments.

In any case where the Collateral Obligor is unable to redeem the Collateral, to the extent that the Issuer or the Selling Agent is not able to sell or realise the Collateral on the secondary market or is able to do so only at a lower price than the nominal amount of the Instruments, Instrumentholders will only receive a *pro rata* share per Instrument of the realisation proceeds in respect of the Collateral and any other Series Assets after deduction of all prior ranking amounts. Such amounts may be substantially lower than the aggregate redemption amounts due in respect of the Instruments and any outstanding Interest Amount and may be zero.

The amount of proceeds of such sale or realisation of the Collateral may be affected by various factors, including the liquidity of the Collateral. Where any of the Collateral is accelerated or default or the Hedging Agreement is terminated in full prior to the Maturity Date, the Instruments will be subject to early redemption. In this case, the Issuer may not receive sufficient proceeds from the realisation of the Collateral and any other Series Assets to repay the nominal amount of the Instruments. Potential investors should be prepared that the early termination amount payable in the event of a redemption of the Instruments prior to the Maturity Date may be substantially lower than the nominal amount of the Instruments and may be zero.

**4.1.7 Index Linked Collateral:** Principal and interest amounts payable in respect of the Collateral are linked to an AUD inflation index. Changes in the index are likely to affect the market value of the Collateral such that a fall in the value of the index may cause a fall in the market value of the Collateral, which may adversely impact the value of the Instruments and reduce the amount payable to Instrumentholders on an early redemption of the Instruments. Potential investors are deemed to acknowledge by purchasing the Instruments that the market value of the Instruments will be affected by the performance of the index and that they should complete their own investigations in to the way in which the index is determined and payments under the Collateral are calculated.

## **4.2 Credit Risk of the Hedging Counterparty**

Notwithstanding the Collateral held by the Issuer, the ability of the Issuer to make payments with respect to the Instruments may depend on the performance of the Hedging Counterparty under the Hedging Agreement, which will in turn depend in part on the creditworthiness of the Hedging Counterparty. The Issuer is reliant on the performance of the Hedging Counterparty under the Hedging Agreement in order to be able to make payments due to Instrumentholders. The insolvency of the Hedging Counterparty, or a default by the Hedging Counterparty under the Hedging Agreement, could adversely affect the ability of the Issuer to make payments with respect to the Instruments.

In order to secure the performance of a Hedging Counterparty's obligations under the Hedging Agreement, as part of that Hedging Agreement, the Hedging Counterparty will enter into a credit support document with the Issuer pursuant to which the Hedging Counterparty may deliver Hedging Collateral from time to time to the Issuer. The Hedging Agreement will provide for the amount of any Hedging Collateral to be adjusted from time to time to reflect the Issuer's exposure to the Hedging Counterparty under the Hedging Agreement. The Hedging Collateral would be subject to the security created pursuant to the relevant Series Instrument. Any Hedging Collateral so delivered would be subject to the right of the Hedging Counterparty from time to time to request redelivery of such Hedging Collateral in accordance with the relevant Hedging Agreement and if any Hedging Collateral is redelivered to the Hedging Counterparty it would be released from the security created in favour of the Trustee pursuant to the Series Instrument. Any distributions (including any cash securities, or any other property) received by the Custodian in respect of the Hedging Collateral will be delivered to the Hedging Counterparty and would not be subject to any security created pursuant to the Series Instrument. The amount of the Hedging Collateral posted by the Hedging Counterparty may be adjusted from time to time pursuant to the terms of such Hedging Agreement.

Potential investors should note that the Hedging Collateral provided to the Issuer may not fully cover the Issuer's exposure to the Hedging Counterparty. As a result of the fluctuations in the mark to market value of a Hedging Agreement, the amount of any Hedging Collateral held by the Issuer prior to any adjustment may be less than the Issuer's exposure to the Hedging Counterparty under that Hedging Agreement. In the event of a default by the Hedging Counterparty, there may therefore be a shortfall in the amount of proceeds received by the Issuer from realisation of such Hedging Collateral to pay any outstanding amount to the Instrumentholders.

If a Hedging Agreement and/or the Credit Support Document is terminated early, the Issuer will, in accordance with the terms of Condition 7.3 (*Mandatory Cancellation*), cancel all but not some only of the Instruments at their Early Termination Amount.

#### **4.3 Information Regarding the Collateral and the Hedging Agreement**

Certain information regarding the Collateral, the Hedging Agreement, the Collateral Obligor and the Hedging Counterparty is contained in this Prospectus. Such information has been extracted from publicly available information published by the Collateral Obligor or the Hedging Counterparty, as applicable. The Issuer confirms that such information has been accurately reproduced. No further or other responsibility in respect of such information is accepted by the Issuer. The Issuer has not separately verified such information. Accordingly, other than as stated above, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by the Issuer as to the accuracy or completeness of the information contained in this Prospectus. Purchasers of the Instruments should conduct their own investigations and, in deciding whether or not to purchase Instruments, should form their own views on the creditworthiness of the Collateral Obligor and the Hedging Counterparty based on such investigations and not in reliance on any information given in this Prospectus.

#### **4.4 The Hedging Agreement**

The Hedging Agreement may be terminated early (either in whole or, in certain circumstances, in part only), among other circumstances:

- (i) if at any time the Instruments are cancelled in accordance with the Conditions of the Instruments prior to the Maturity Date;
- (ii) at the option of one party, if there is a failure by the other party to pay any amounts due under the Hedging Agreement;
- (iii) if (subject as provided in the Hedging Agreement) withholding taxes are imposed on payment made by the Issuer or the Hedging Counterparty under the Hedging Agreement or it becomes illegal for either party to perform its obligations under the Hedging Agreement;
- (iv) if (subject as provided in the Hedging Agreement) the implementation or adoption of or change in any applicable law or regulation, or the interpretation or administration of any applicable law or regulation would have the effect that it would be unlawful or becomes unlawful for either party to carry out the Hedging Agreement or any activity contemplated by the Hedging Agreement; and
- (v) upon the occurrence of certain other events with respect to either party and the Hedging Agreement, including insolvency of such party.

Prospective investors of the Instruments should note that, if certain provisions of the Wall Street Transparency and Accountability Act of 2010 (the "**Dodd-Frank Act**") are implemented as described in the Dodd-Frank Act and the corresponding implementing regulations currently proposed by the relevant regulators, it will become illegal for the Hedging Counterparty to perform its obligations under the Hedging Agreement, in which case the Hedging Agreement may be terminated early.

#### **4.5 Credit risk of Custodian**

Notwithstanding the security granted over the Collateral and Hedging Collateral pursuant to the Series Instrument, the Issuer may only have a claim against the Custodian in respect of the Collateral and any Hedging Collateral. The ability of the Issuer to meet its obligations with respect to the Instruments will be

dependent upon receipt by the Issuer of payments from the Custodian pursuant to the Agency Agreement for the Instruments. Consequently, the Instrumentholders are relying not only on the creditworthiness of the Collateral, but also on the creditworthiness of the Custodian in respect of the performance of its obligations under the Agency Agreement for the Instruments.

#### **4.6 Appointment of Sub-Custodians**

Under the terms of the Agency Agreement, the Custodian may appoint one or more sub-custodians (the “**Sub-Custodian**”) to hold the Collateral and any Hedging Collateral, but such appointment shall not relieve the Custodian of any of its duties under the Agency Agreement. Investors should note that the Sub-Custodian acts as an agent of the Custodian and not as an agent of the Issuer or of any Agent other than the Custodian. Whilst the Custodian shall have the same level of responsibility to the Issuer for any act or omission on the part of the Sub-Custodian, its agent or any other sub-custodian as the Custodian has for itself and the Custodian shall be liable for any damages or loss from any act or omission by any agent/sub-custodian (including the Sub-Custodian) as if all delegated duties and delegated safekeeping duties were carried out by the Custodian itself and the property of the Issuer was held in Luxembourg, the holding of the Collateral and any Hedging Collateral by the Sub-Custodian on behalf of the Custodian would mean that the Issuer may not have any direct claim against the Sub-Custodian in respect of the Collateral and any Hedging Collateral. The Issuer may only have a claim against the Custodian in respect of the Collateral and any Hedging Collateral even though the Collateral and any Hedging Collateral will be held by the Sub-Custodian.

#### **4.7 Realisation of Series Assets by Selling Agent**

On an early redemption of the Instruments (whether in the case of a mandatory redemption or following an occurrence of an event of default), the Selling Agent shall on behalf of and as the agent of the Issuer, (i) terminate the Hedging Agreement if the Hedging Agreement has not been terminated, and (ii) realise the Series Assets in accordance with the terms of the Agency Agreement as soon as reasonably practicable at its best execution price less any commissions or expenses charged by the Selling Agent and specified for this purpose in the Series Instrument.

The security created over each of the Series Assets in favour of the Trustee shall be immediately released against receipt in full of the relevant realisation proceeds in respect of the relevant Series Assets by the Trustee (subject to deduction of any commission or expenses by the Selling Agent).

Investors should note that neither the Issuer nor the Trustee shall have any responsibility or liability for the performance by the Selling Agent of its duties under the Conditions of the Instruments or for the price or time at which any of the Series Assets may be sold or otherwise realised. The amount of realisation proceeds received by the Issuer in respect of the Series Assets will depend on the performance by the Selling Agent of its duties. If the Selling Agent fails to perform its duties, whilst the Trustee may take a number of steps in such event including the realisation of the Series Assets, the Trustee will only act if it is indemnified or secured to its satisfaction. In taking any action the Trustee will not have regard to the effect of such action on individual Instrumentholders. Investors should also note that any realisation proceeds are subject to deduction of commissions and/or expenses by the Selling Agent. As a result the Early Termination Amount payable to Instrumentholders following an early redemption of the Instruments will be reduced.

#### **4.8 Acceleration of Instruments by Instrumentholders**

On the occurrence of an Event of Default in respect of the Instruments, the holders of at least one-fifth in Aggregate Nominal Amount of the Instruments then outstanding may request by written notice to the Issuer and the Trustee that all the Instruments shall forthwith become due and repayable at the Early Termination Amount. In such a case, all the Instruments will be early redeemed, the security created pursuant to the Series Instrument will become enforceable and the Series Assets will be subject to realisation by the Selling Agent.

Prospective investors should note that neither the Trustee nor other Instrumentholders (regardless of the amount of Instruments they hold) will be able to influence or overrule such request made by holders of one-fifth or more in Aggregate Nominal Amount of the Instruments. In addition, the Early Termination Amount payable may be less than the Final Redemption Amount that would be due at maturity of the Instruments. As a result, an Instrumentholder may receive less than their original investment in the Instruments.

## 5 Security

The Instruments will have the benefit of English law-governed security interests which are granted to the Trustee (for the benefit of the Series Parties for the relevant Series) over all the Series Assets of Compartment 143-2014-18. The Securitisation Act 2004 provides that the Series Assets for the Instruments are available to meet only the claims of the Series Parties.

Prospective investors should note that the Hedging Counterparty may elect at any time after the Issue Date in its sole and absolute discretion to replace the Trustee with a replacement trustee (the “**Replacement Trustee**”). The Replacement Trustee shall be appointed in accordance with the General Trust Terms as amended by the Series Instrument.

Where the Replacement Trustee replaces Deutsche Trustee Company Limited as Trustee, the Deed of Floating Charge dated 16 December 2004, as supplemented by the First Supplemental Deed of Floating Charge dated 30 May 2007 (the “**Deed of Floating Charge**”) granted in favour of Deutsche Trustee Company Limited and described in Condition 8.7 shall not be assigned to the Replacement Trustee nor shall it be assigned to any subsequent replacement trustee. As a result, the obligations of the Issuer in relation to all series of instruments in relation to which the Replacement Trustee is the Trustee pursuant to, in accordance with and on the terms of, the Series Instrument constituting such Series will not be secured pursuant to the Deed of Floating Charge.

This is because at the time the Deed of Floating Charge was entered into, it was arguable that the floating charge granted to Deutsche Trustee Company Limited as Trustee by virtue of the Deed of Floating Charge gave Deutsche Trustee Company Limited as Trustee the ability to appoint an administrative receiver over the assets of the Issuer pursuant to the Deed of Floating Charge. Where an application is made (whether by court order or out of court process) to appoint administrators in respect of a company and there is in office an administrative receiver of the company, the application to appoint administrators will not be granted unless the person who appointed the administrative receiver has consented to the appointment of administrators. Even if such consent is not obtained, the application to appoint administrators could still be ordered by the court if the court thinks that the security by virtue of which the administrative receiver was appointed would be liable to be released or discharged under sections 238 to 240 (transactions at an undervalue and preferences), or would be liable to be avoided under section 245 (avoidance of certain floating charges), of the United Kingdom Insolvency Act 1986, as amended (the “**Insolvency Act**”), if such an order were made. Therefore, the ability of Deutsche Trustee Company Limited as Trustee under the Deed of Floating Charge, if an administration application were to be made in respect of the Issuer, to appoint an administrative receiver and, by the appointment of such a receiver prior to the grant of such application, would have entitled Deutsche Trustee Company Limited as Trustee to prevent the appointment of the administrator.

However, on 1 October 2009, what is now section 28(1) of the Insolvency Act came into force which makes it clear that an administrative receiver cannot be appointed to a company, unless that company is registered under the Companies Act 2006 in England and Wales or Scotland. As the Issuer is not so registered, it is not possible for any party to appoint an administrative receiver to the Issuer, whether under the Deed of Floating Charge or otherwise. As a result, there is no benefit to the Replacement Trustee becoming the beneficiary of the rights granted to Deutsche Trustee Company Limited as Trustee under the Deed of Floating Charge or pursuant to an equivalent instrument.

## 6 Secondary Market

Even if the Instruments are listed on the Luxembourg Stock Exchange, it is not possible to predict if and to what extent a secondary market may develop in any Instruments or at what price the Instruments will trade in the secondary market or whether such market will be liquid or illiquid. Application has been made to list the Instruments on the Luxembourg Stock Exchange. If such Instruments are so listed or quoted, no assurance is given that any such listing or quotation will be maintained. The fact that any Instruments may be so listed or quoted does not necessarily lead to greater liquidity than if they were not so listed or quoted.

The liquidity of the Instruments may also be affected by restrictions on offers and sales of the Instruments in some jurisdictions.

The Arranger may, but is not obliged to, at any time purchase Instruments at any price in the open market or by tender or private agreement. Any Instruments so purchased may be held or resold or surrendered for cancellation. Since the Arranger may be the only market-maker in the Instruments, the secondary market may be limited. The more limited the secondary market is, the more difficult it may be for holders of the Instruments to realise value for the Instruments prior to the exercise, expiration or maturity date (as the case may be).

Redemption Amounts will only be payable or deliverable upon the Maturity Date, or the relevant Redemption Date (as applicable), subject to the Conditions, the risk factors mentioned in this Prospectus and the Articles. The value of the relevant Series Assets on any other day (or the market price of such Instruments on any day) may not necessarily be reflected in the Redemption Amount of each of the Instruments payable on such Maturity Date or Redemption Date.

## **7 Cancellation of Instruments**

The Conditions set out provisions in relation to the cancellation of Instruments (whether in whole or in part).

If the Instruments are cancelled following the occurrence of any such event, then the Issuer will pay Instrumentholders the Early Termination Amount which is determined in accordance with Condition 7.2 (*Early Termination*).

**INVESTORS SHOULD BE AWARE THAT NO PRINCIPAL PROTECTION WILL APPLY IN RESPECT OF THE INSTRUMENTS AND THE EARLY TERMINATION AMOUNT MAY BE ZERO.**

## **8 Taxation**

Potential purchasers and sellers of the Instruments should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Instruments are transferred. Instrumentholders are subject to the provisions of Condition 7.6 (*Cancellation for Taxation and other reasons*) for Instruments and are subject to the provisions of the Articles and payment and/or delivery of any amount due in respect of the Instruments will be conditional upon the payment of any Instrumentholder Expenses.

Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Any change in the Company's or the Issuer's (as appropriate) tax status or in taxation legislation in Luxembourg or any other tax jurisdiction could affect the value of the investments held by the Company or affect the Issuer's ability to achieve its investment objective for the relevant Instruments or alter the post tax returns to Instrumentholders. If, on the occasion of the next payment due in respect of the Instruments, the Issuer would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount due, the Issuer will, subject to the provisions of Condition 7.6.1, use all reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction as the principal obligor or to change its residence for taxation purposes or, to the extent permitted by law, change its domicile to another jurisdiction. If the Issuer is unable to arrange such substitution or change, or if the Issuer is unable to carry out such substitution or change in a tax efficient manner before the next payment is due in respect of the relevant Instruments, the Issuer shall, subject to, and in accordance with, the provisions of Condition 7.6 (*Cancellation for taxation and other reasons*), cancel all of those Instruments. Disclosure in this Prospectus concerning the taxation of Instrumentholders resident in Luxembourg, Ireland and Germany, and is based upon the current relevant tax law and practice which is, in principle, subject to change (possibly with retrospective effect). Any such change could adversely affect the ability of the Issuer to pay the amounts due on the Instruments on the relevant date for redemption and the net amount of any dividends and/or date for redemption amount payable to Instrumentholders.

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg is instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

## **9 US Foreign Account Tax Compliance Withholding**

U.S. "Foreign Account Tax Compliance Act" imposes a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments", or portion thereof, made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to

interests issued by a participating non-U.S. financial institution. The Issuer should be classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Instruments, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Instruments, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section “*Taxation – Foreign Account Tax Compliance Act*”.

#### **10. U.S. investors in the Instruments are not permitted.**

The Instruments may not at any time be offered, sold, pledged or otherwise transferred in the United States or to (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S of the Securities Act (b) a person who comes within any definition of U.S. person for the purposes of the Commodity Exchange Act of 1936, as amended, or any rule, guidance or order proposed or issued by the Commodity Futures Trading Commission (the “**CFTC**”) thereunder (including but not limited to any person who is not a “Non-United States person” under CFTC Rule 4.7(a)(1)(iv) (excluding for purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not “Non-United States persons”)) or (c) a “resident of the United States” for purposes of, and as defined in implementing regulations proposed or issued under, Section 13 of the Bank Holding Company Act of 1956, as amended (any such person or account, a “**Non-Permitted Transferee**”). Any transfer of Instruments to a Non-Permitted Transferee will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in an Instrument in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Instrument.

The Issuer shall have the right at any time after becoming aware that any legal or beneficial ownership interest in an Instrument is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (a) an affiliate of the Issuer (to the extent permitted by applicable law) or (b) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 7.4 (*Redemption at the option of the Issuer on void transfer or other disposition*).

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

#### **10 ERISA Considerations**

By its purchase and acceptance of an Instrument, each holder will be deemed to have represented and warranted that either (i) no ERISA Plan (as defined below) assets have been used to purchase such Instrument or (ii) one or more prohibited transaction statutory or administrative exemptions applies such that the use of such plan assets to purchase and hold such Instrument will not constitute a non-exempt prohibited transaction under the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”).

As used herein “**ERISA Plan**” means employee benefit plans subject to Title 1 of ERISA or an individual retirement account or employee benefit plan subject to Section 4975 of the Code or entities which may be deemed to hold the assets of any such plans.

#### **11 Further Issues of Instruments by the Issuer**

Further Instruments may be issued, subject to the provisions of Condition 16 (*Further Issues*).

#### **12 Legality of Purchase**

None of the Company or the Issuer (as appropriate), the Arranger, the Purchaser, the Custodian, the Trustee or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of Instruments by a prospective investor in the Instruments, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

### 13 Luxembourg law

The Company is a public limited liability company (*société anonyme*) incorporated under Luxembourg law. Under the Securitisation Act 2004, each Compartment corresponds to a separate and distinct part of the Company's assets and liabilities. As between Instrumentholders, each Compartment will be deemed to be a separate entity, unless otherwise provided for in the Articles. The rights of holders of Instruments issued in respect of a Compartment and the rights of creditors transacting with the relevant Issuer in respect of a Compartment are limited to the assets of such Compartment, where these rights relate to that Compartment or have arisen upon the constitution, operation or liquidation of the assets of that Compartment. The assets of a Compartment are available exclusively to satisfy the rights of holders of Instruments issued in relation to that Compartment and the rights of creditors whose claims relate to or have arisen at the occasion of the constitution, the operation or the liquidation of that Compartment. Fees, costs, expenses and other liabilities generally incurred on behalf of the Company but which do not relate to any particular Compartment shall, unless otherwise determined by the Board, be general liabilities of the Company and shall not be payable out of the assets of any Compartment. The Board shall ensure, to the extent possible, that creditors in respect of such liabilities waive recourse to the assets of any Compartment.

Pursuant to the Securitisation Act 2004, the conditions of issue of the Instruments are binding on the Issuer and the Instrumentholders and are valid as against third parties in the event of the liquidation of one or more Compartments, of bankruptcy proceedings in respect of the Company or more generally in determining the competing rights for payment of creditors, except that they are not binding on any creditors of the Issuer who have not expressly agreed to be bound by such conditions.

**THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY OF THE INSTRUMENTS. POTENTIAL INVESTORS SHOULD ALSO READ CAREFULLY THE INFORMATION SET OUT ELSEWHERE IN THIS PROSPECTUS (INCLUDING ANY DOCUMENTS INCORPORATED BY REFERENCE) AND REACH THEIR OWN VIEWS (TAKING SUCH ADVICE AS THEY THINK NECESSARY AND APPROPRIATE) BEFORE INVESTING IN THE INSTRUMENTS.**

## RESPONSIBILITY AND INFORMATION RELATING TO NON-EXEMPT OFFERS

**Subject matter of this prospectus:** The subject matter of this Prospectus is the issue of the Instruments by the Issuer.

**Arranger:** Deutsche Bank AG, London Branch of Winchester House, 1 Great Winchester Street, London EC2N 2DB (the “**Arranger**”) is the arranger for the Instruments.

**The Company:** The Company is a special purpose vehicle incorporated as a *société anonyme* (public limited liability company) under the laws of the Grand Duchy of Luxembourg and has the status of an authorised securitisation undertaking, authorised and supervised by the CSSF, under the Securitisation Act 2004. The Company was incorporated on 8 September 2004. A copy of the incorporation deed containing the articles of incorporation of the Company (the “**Articles**”) has been published in the *Mémorial C, Recueil des sociétés et associations* (the “**Mémorial**”) on 22 November 2004, number C1188 on page 56978. The Company is registered with the Luxembourg trade and companies register under number B.103.036. Its registered office is at 2, boulevard Konrad Adenauer, L-1115 Luxembourg.

The Articles were amended on 23 April 2009, and copies of the amended and restated Articles were lodged with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) on 7 May 2009. The amendment to the Articles was published in the *Mémorial* on 15 May 2009, number C1012 on page 48536. As and when further restated versions (*statuts coordonnés*) of the Articles are produced, such restated versions will be filed with the Luxembourg trade and companies register and will be available for inspection. Each amendment of the Articles, which is subject to the prior approval of the CSSF, will be published in the *Mémorial* and, if required, in the official publications specified for the respective countries in which Instruments are sold.

**Responsibility:** This Prospectus has been prepared for the purpose of admitting the Instruments to trading on the regulated market of the Luxembourg Stock Exchange and of providing information with regard to the Issuer and the Instruments (amongst other things). The Issuer consents to the use of the Prospectus in the Federal Republic of Germany and accepts responsibility for the content of the Prospectus also with respect to the subsequent resale or final placement of securities by any financial intermediary which was given consent to use the Prospectus.

The Issuer (the “**Responsible Person**”) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, neither the Arranger nor the Purchaser accepts any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by the Arranger or the Purchaser in connection with the Issuer or the issue and offering of the Instruments. Each of the Arranger and the Purchaser accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

The information contained in the section entitled “Description of the Collateral and the Collateral Obligor” below has been reproduced from information of which the Issuer is aware and/or is able to ascertain from information published by Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch as the Collateral Obligor. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the Collateral Obligor, no facts have been omitted which would render the reproduced information inaccurate or misleading. The information contained in the section entitled “Description of the Collateral and the Collateral Obligor” below, has been reproduced from information contained in (a) the information memorandum of Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch dated 5 March 2007 and the Pricing Supplement dated 27 February 2007 and (b) contained in the Global Medium-Term Note Programme of Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch dated 7 May 2014 (being the most recent Base Prospectus published by Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch).

**Verification:** None of the Arranger, the Purchaser, the Trustee, the Hedging Counterparty or the Calculation Agent has separately verified the information contained in this Prospectus and accordingly none of the Arranger, the Purchaser, the Trustee, the Hedging Counterparty or the Calculation Agent makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Prospectus or in any further information, notice or other document which may at any time be supplied in connection with the Instruments or their distribution. None of them accepts any responsibility or liability

therefor. None of the Arranger, the Purchaser or the Trustee undertakes to review the financial condition or affairs of the Company during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Instruments of any information coming to the attention of none of the Arranger, the Purchaser or the Trustee.

**Change of Circumstances:** Neither the delivery of this Prospectus nor any sale made in connection with this Prospectus shall at any time imply that the information contained in this Prospectus is correct at any time subsequent to the date of this Prospectus, or that any further information supplied in connection with the Instruments is correct as of any time subsequent to the date indicated in the document containing the same.

**Distribution:** The distribution of this Prospectus and the offering or sale of the Instruments in certain jurisdictions may be restricted by law. None of the Issuer, the Arranger, the Purchaser or the Trustee represents that this document may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any distribution or offering. Accordingly, no Instruments may be offered or sold, directly or indirectly, and none of this Prospectus, any advertisement relating to the Instruments and any 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. If you receive this Prospectus, you are required by the Issuer and the Arranger to inform yourselves about and to observe any such restrictions. For a description of certain restrictions on the sale and transfer of the Instruments, please refer to “Sales and Transfer Restrictions” on pages 96 to 102 of this Prospectus.

**US Selling Restrictions:** The Instruments have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”). The Instruments are bearer instruments that are subject to U.S. tax law requirements. Subject to certain exceptions, the Instruments may not be offered, sold or delivered within the United States or to U.S. persons.

**Representations:** No person has been authorised to give any information or to make representations other than those contained in this Prospectus in connection with the issue or sale of the Instruments and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or the Issuer (as appropriate), the Arranger, the Purchaser or the Trustee.

**Independent Investigation:** None of this Prospectus or any further information supplied in connection with the Instruments is intended to provide the basis of any credit or other evaluation, and none of this Prospectus or any such further information should be considered as a recommendation by the Company or the Issuer (as appropriate), the Arranger, the Purchaser and/or the Trustee that any recipient of this Prospectus or any further information supplied in connection with the Instruments should purchase any Instruments. If you are contemplating purchasing Instruments, you must make your own independent investigation of the risks involved in an investment in the Instruments. The Instruments have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence. None of this Prospectus or any other information supplied in connection with the Instruments constitutes an offer by or on behalf of the Company or the Issuer (as appropriate), the Purchaser and/or the Arranger or any other person to purchase any Instruments.

**Currency References:** In this Prospectus, unless otherwise specified or the context otherwise requires, references to (i) “**AUD**” are to Australian Dollars and (ii) “**euro**”, “**EUR**” and “**€**” are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty of European Union as amended by the Treaty of Amsterdam.

## **IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SECURITIES**

### **Restrictions on Non-exempt offers of Instruments in Relevant Member States**

Any person making or intending to make an offer of the Instruments in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus (a “**Non-exempt Offer**”) in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) may only do so if this Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of this Prospectus in connection with such offer as provided under “Consent given in accordance

with Article 3.2 of the Prospectus Directive (Retail Cascades)” and the terms of that consent are complied with by the person (the “**Offeror**”) making the Non-exempt Offer of such Instruments.

Save as provided above, none of the Issuer, the Purchaser or the Arranger have authorised, nor do they authorise, the making of any Non-exempt Offer of Instruments in circumstances in which an obligation arises for the Issuer, the Purchaser or the Arranger to publish or supplement the Prospectus for such offer.

#### **Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)**

Any person (an “**Investor**”) intending to acquire or acquiring any Instruments from any Offeror other than the Distributor should be aware that, in the context of a Non-exempt Offer of such Instruments, the Issuer will not be responsible to the Investor for this Prospectus under Article 6 of the Prospectus Directive. None of the Issuer, the Purchaser or the Arranger makes any representation as to the compliance by that Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and neither the Issuer nor the Arranger has any responsibility or liability for the actions of that Offeror. Save as provided below, none of the Issuer, the Purchaser or the Arranger has authorised the making of any Non-exempt Offer by any Offeror or consented to the use of this Prospectus by any other person in connection with any Non-exempt Offer of the Instruments. Any Non-exempt Offer made without the consent of the Issuer is unauthorised and none of the Issuer, the Purchaser or the Arranger accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.

New information with respect to financial intermediaries unknown at the time of the approval of this Prospectus will be published on the website of the relevant financial intermediary.

The Issuer consents to the use of this Prospectus in connection with a Non-exempt Offer of the Instruments subject to the following conditions:

- (i) the consent is only valid during the Offer Period, being the period from 20 August 2014 to 9 September 2014;
- (ii) the only Offeror authorised to use this Prospectus to make a Non-exempt Offer of the Instruments is the Distributor;
- (iii) the consent only extends to the use of this Prospectus to make Non-exempt Offers of the Instruments in the Federal Republic of Germany; and
- (iv) the consent is subject to any other conditions set out herein.

The Issuer accepts responsibility, in the Federal Republic of Germany, for the content of this Prospectus in relation to any Investor who acquires any Instruments in a Non-exempt Offer made by any person to whom consent has been given to use this Prospectus in that connection in accordance with the preceding paragraph, provided that such Non-exempt Offer has been made in accordance with all the conditions attached to that consent.

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY INSTRUMENTS IN A NON-EXEMPT OFFER FROM THE DISTRIBUTOR WILL DO SO, AND OFFERS AND SALES OF SUCH INSTRUMENTS TO AN INVESTOR BY THE DISTRIBUTOR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN THE DISTRIBUTOR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE INSTRUMENTS CONCERNED AND, ACCORDINGLY, THIS PROSPECTUS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE DISTRIBUTOR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE DISTRIBUTOR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER, THE PURCHASER OR THE ARRANGER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF ANY SUCH INFORMATION.**

## POTENTIAL CONFLICTS OF INTEREST

Each of the Company or the Issuer (as appropriate), the Arranger, the Trustee, the Purchaser, the Hedging Counterparty, the Calculation Agent, the Principal Agent, the Paying Agent, the Custodian and the Listing Agent are or may be affiliates or may be the same entities. Because of these and other relationships, potential conflicts of interest may arise between such parties and the holders of Instruments out of certain of the transactions contemplated herein.

The Arranger, the Trustee, the Purchaser, the Hedging Counterparty and the Agents and their respective affiliates may from time to time act in other capacities with regard to the Instruments. These parties and their respective affiliates may also from time to time engage in transactions involving the Collateral. Those transactions, if any, may have a positive or negative effect on the value of the underlying interest rate or the Collateral and consequently on the value of the Instruments.

Prior to the Issue Date, the Agents and/or the Hedging Counterparty may, in certain cases, hold the securities which are intended to form all or part of the Collateral. Consequently, such party may have an interest in ensuring that such securities are transferred to the Issuer on the Issue Date to form all or part of the Collateral for the Instruments. The Issue Price of the Instruments includes certain fees, commissions and expenses payable to, or incurred by the Agents. Furthermore, the Agents and the Hedging Counterparty, along with their respective affiliates, may, in certain cases, act as market-maker for the Collateral. By such market-making, the relevant party will, to a large extent, itself determine the price of the Collateral, and consequently influence the value of the Collateral and consequently the Instruments. The prices quoted by the relevant party in its market-making function will not always correspond to the prices which would have formed without such market-making and in a liquid market.

The Agents and the Hedging Counterparty, along with their respective affiliates, whether by virtue of the types of relationships described herein or otherwise, may acquire non-public information with respect to the Collateral or the Collateral Obligor that is or may be material in the context of the Instruments. None of the Agents, the Trustee or the Hedging Counterparty, along with their respective affiliates, undertakes to disclose any such information to any Instrumentholder.

## GENERAL DESCRIPTION OF THE INSTRUMENTS

*This section provides a brief overview of some of the main terms applicable to the Instruments. It outlines a number of features of the Instruments but does not set out in full these features of the Instruments. In addition there are aspects of the Instruments to which this overview does not refer. Investors should therefore not rely on this overview but should rely only on the full terms and conditions of the Instruments as set out in this Prospectus. Prospective investors should read carefully and understand this Prospectus (in particular the Conditions and the section entitled “Risk Factors”) before making any decision to invest in the Instruments.*

### 1 Nature of the Instruments

The Instruments are designed to enable Instrumentholders: (i) to participate after the Issue Date, through the Interest Amounts, (a) prior to the Interest Rate Switch Date, in a fixed rate of interest and (b) after the Interest Rate Switch Date, in a potentially variable level of the Interest Rate equal to or above the level of the Minimum Interest Rate and equal to or below the level of the Maximum Interest Rate. The Interest Amounts are paid on each Interest Payment Date and (ii) to be repaid at the Final Redemption Amount at maturity of the Instruments. The payments of interest and principal under the Instruments are subject to the Issuer having received corresponding payments from the Collateral and/or the Hedging Agreement (see section 6 and 7 below).

The Instruments are debt obligations of Palladium Securities 1 S.A. (the “**Company**”) acting in respect of the Compartiment 143-2014-18 (the “**Issuer**”). The Instruments will provide exposure, amongst other things, to each of the credit risk of the Issuer, the Hedging Counterparty and the Collateral. In particular, Instrumentholders are able to participate in the performance of the Collateral with certain interest rate risks being hedged via the Hedging Agreement. This overview provides a brief overview of how each of these risks operate, as each will affect whether and how much interest and principal is paid to investors, and of the structure of the Instruments. Having reviewed this section, investors should refer again to the “Risk Factors” section above.

### 2 Nature of the Issuer

The Company is a special purpose vehicle established for the purpose of issuing asset backed securities for any securitisation transactions as permitted under the Securitisation Act 2004, including the Instruments.

### 3 Economic Terms of the Instruments

The section “Conditions” sets out the legal and economic terms of the Instruments for each specific Series. These Conditions specify among other things:

- The right of the holder of an Instrument to receive interest payments (referred to as Interest Amounts) and how the Interest Amounts will be determined;
- how and when the level of the underlying interest rate is determined for the purposes of calculating an Interest Amount after the Interest Rate Switch Date;
- the amount payable on redemption of the Instruments; and
- how and when the Issuer may redeem the Instruments early.

#### (a) Rights under the Instruments

The Instruments represent the right to receive:

- (i) interest payments (referred to as Interest Amounts) paid on each Interest Payment Date at (x) prior to the Interest Rate Switch Date, a fixed rate of 1.50 per cent. per annum and (y) after the Interest Rate Switch Date, a floating rate calculated on the basis of EURIBOR for a Representative Amount of the Specified Currency for a Specified Duration equal to 1 year, subject to a minimum interest rate of 0.50 per cent. per annum and a maximum interest rate of 3.00 per cent. per annum; and
- (ii) a Final Redemption Amount of 100 per cent. of the Calculation Amount per Instrument, subject to no early redemption event having occurred.

**(b) Interest Payments**

Each Interest Amount payable will reflect the specified Calculation Amount per Instrument, the Interest Rate and the day count fraction for the relevant Interest Period. Any Interest Amount will be payable on each Interest Payment Date. The last Interest Period prior to the Maturity Date is a short Interest Period.

Following the Interest Rate Switch Date, the Interest Rate will be determined by the Calculation Agent in respect of each interest period by reference to 12-month EURIBOR, subject to certain fallback provisions. The Calculation Agent determines whether the level of the interest rate is equal to or lower than the Minimum Interest Rate or equal to or greater than the Maximum Interest Rate and will adjust the applicable Interest Rate accordingly.

Payments of interest, where relevant, and principal are contingent on the performance of the Collateral and will also be dependent on the Hedging Agreement.

**(c) Redemption at Maturity**

Unless previously redeemed or purchased and cancelled, each Instrument will be redeemed by the Issuer by payment of the Final Redemption Amount, such redemption to occur, subject as provided below, on the Maturity Date. The Issuer will repay the Instruments from the payments by the Hedging Counterparty under the Hedging Agreement. Hence the redemption of the Instruments is dependent on the payment under the Hedging Agreement.

**(d) Early Redemption**

If the Collateral (as described below) becomes due and repayable or becomes capable of being declared due and repayable prior to its maturity or scheduled termination date or there is a payment default in respect of the Collateral or the Hedging Agreement is terminated prior to the Maturity Date (see section 7 below for more details), the Instruments shall be mandatorily redeemed in whole or in part, as applicable, and the Series Assets shall be subject to realisation by the Selling Agent. The redemption amount (referred to as the Early Termination Amount – see section 8 below) payable to Instrumentholders in these circumstances will be their *pro rata* share of the proceeds of realisation of the Series Assets after deduction of prior ranking amounts such as the costs and fees of the Trustee, and (unless the Series Assets are realised due to an event of default in relation to the Hedging Counterparty) any outstanding claims of the Hedging Counterparty. Furthermore, potential investors should note that the Selling Agent will be able to deduct any of its commissions and/or expenses in connection with the realisation of the Series Assets from the proceeds of realisation of the Series Assets prior to the distribution of such proceeds to the other Series Parties. Investors should also note that the Early Termination Amount will not include any accrued but unpaid interest, nor will an early redemption give rise to a right to receive any interest.

**(e) Deductions due to taxes, duties, expenses**

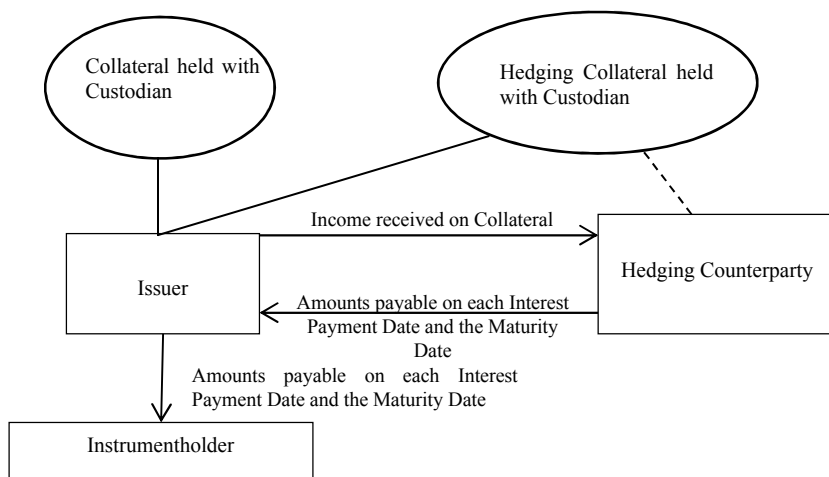
Any amounts payable in respect of the Instruments are subject to the deduction of certain taxes, duties and/or expenses.

**4 Transaction Structure**

The money raised by the Issuer from the initial sale of the Instruments shall be used by the Issuer to purchase the Collateral (see section 5 below), after deduction of the costs of the issue and the Issuer's general administrative costs, for such Series. Such purchase will be made from the issuer of the Collateral, the dealers in the primary market or from any other holders of the Collateral in the secondary market. The Collateral, together with the Issuer's rights under the Hedging Agreement, any Hedging Collateral and any proceeds from the Hedging Agreement (as described in section 6 below) shall form the Series Assets for the Compartment 143-2014-18. The Series Assets are exclusively allocated to the Compartment 143-2014-18 established by the board of directors of the Issuer in respect of the Instruments and will be kept separate from the other assets of the Issuer. The Series Assets are held by the Trustee in favour of the Series Parties (which include the Instrumentholders) as security for the obligations of the Issuer under the Instruments.

The Issuer will acquire the Series Assets in an amount sufficient to ensure that it is in a position to meet its obligation under the Instruments, in particular payment of interest, the Final Redemption Amount (see section 3(c)), the Early Termination Amount (see section 7 and 8 below) and any obligations under the Hedging Agreements (see section 6).

The Issuer for the Instruments will finance any payments to Instrumentholders substantially in the manner as set out in the below diagram:



On or prior to the Maturity Date of the Instruments, the Collateral, or the redemption proceeds thereof, shall be transferred by the Issuer to the Hedging Counterparty and the Hedging Agreement will terminate. The Issuer intends to use any amounts received by it under the Hedging Agreement to pay the Final Redemption Amount, which is due to the Instrumentholders on the Maturity Date.

In the event of an early termination of the Instruments in accordance with the Conditions of the Instruments, the Issuer, the Trustee or the Selling Agent will be required to sell or otherwise realise the Collateral and terminate the Hedging Agreement. In such a case, the Issuer will pay to the Instrumentholders, subject to the priority of payments specified in Condition 8.8 (*Application of Proceeds of Series Assets*), the Early Termination Amount in respect of each of the Instruments. The Early Termination Amount payable to the Instrumentholders will be their *pro rata* share of the proceeds of realisation of the Series Assets minus prior ranking payments and any commissions or expenses due to the Selling Agent in connection with the realisation of the Series Assets (see section 10 below). The Early Termination Amount may be lower than the nominal amount of the Instruments and may be zero.

The Series Assets will be the only assets of the Issuer available to meet the claims of the holders of the Instruments. Instrumentholders bear the risk of a default of the Collateral as well as any decline in the value of the Collateral. If the value of any Collateral has declined since the date of purchase, the amounts received by Instrumentholders on any early cancellation of the Instruments may be less than the original nominal amount of their Instruments and may be zero. Instrumentholders are exposed to the credit risk of Deutsche Bank Luxembourg S.A. as Custodian of the Collateral which may result in the Collateral not being available for any payments under the Instruments and/or the Hedging Agreement. Furthermore Instrumentholders bear the credit risk of the Hedging Counterparty to the extent any default by the Hedging Counterparty under the Hedging Agreement is not covered by the Hedging Collateral provided thereunder.

## 5 General Description of the Collateral

On or about the Issue Date, the Issuer will use the proceeds of the issue to purchase the Collateral, consisting of a principal amount of the fixed interest notes issued by Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch (ISIN: AU3TI0000189) equal to the Aggregate Nominal Amount of the Instruments issued on the Issue Date rounded to the nearest whole denomination of such securities, determined using a AUD-euro exchange rate of 1.445 Australian dollars per euro. The Collateral is expected to pay an amount of interest linked to AUD inflation. The Collateral Obligor has undertaken under the relevant Collateral to repay the Collateral on the scheduled maturity date of such Collateral at its nominal amount. The Collateral Obligor has securities admitted to trading on the regulated market of the Luxembourg Stock Exchange. In addition, investors in the Instruments should

refer to the “Risk Factors” and the “Description of the Collateral and the Collateral Obligor” sections of this Prospectus.

## 6 Hedging Agreement

On the Issue Date the Issuer will enter into an interest rate swap agreement (the “**Hedging Agreement**”) with the Hedging Counterparty on the basis of a 1992 Master Agreement (Multicurrency-Cross Border) and schedule under English law, as published by the International Swaps and Derivatives Association, Inc. (ISDA), as supplemented by a confirmation in respect of the interest rate swap. Deutsche Bank AG will act as Hedging Counterparty and further information on Deutsche Bank AG can be found in the section “Additional Information in relation to the Parties to the Structure” below.

The Hedging Agreement is an interest rate and currency swap transaction related to the Instruments and the Collateral and for the purposes of which both the Issuer and the Hedging Counterparty undertake to make periodic payments. The payments which the Hedging Counterparty undertakes to make under the Hedging Agreement equal the Issuer's interest payments in respect of the Instruments. In return, the Issuer will pay to the Hedging Counterparty the interest payments that it receives under the Collateral. On or prior to the Maturity Date of the Instruments, the Collateral, or the redemption proceeds thereof, shall be transferred by the Issuer to the Hedging Counterparty and the Hedging Agreement will terminate.

The principal purpose of the Hedging Agreement is to ensure that, prior to any early cancellation of the Instruments, the income received by the Issuer from any Collateral (which pays a rate of interest that differs from the rate that the Issuer must pay under the Instruments, and pays amounts in a different currency to the currency in which the Instruments are denominated) is exchanged for an income stream that matches the amounts to be paid under the Instruments.

In order to secure the performance of the Hedging Counterparty's obligations under each Hedging Agreement, as part of the corresponding Hedging Agreement, the Credit Support Document will be entered into by the Issuer and the Hedging Counterparty on or after the Issue Date of the Instruments pursuant to which the Hedging Collateral may, from time to time, be delivered by such Hedging Counterparty to the Custodian in order to collateralise the Hedging Counterparty's exposure to the Issuer. Any Hedging Collateral delivered is subject to the right of such Hedging Counterparty to request redelivery of such collateral in accordance with the corresponding Hedging Agreement. The amount of the Hedging Collateral posted by the Hedging Counterparty may be adjusted from time to time pursuant to the terms of such Hedging Agreement.

The Hedging Agreement will be terminated on or about the Maturity Date of the Instruments unless terminated earlier in accordance with its terms, including due to an event of default or termination event under the Hedging Agreement. An event of default under the Hedging Agreement includes, inter alia, (subject to applicable grace period) a failure by a party to pay any amount due under the Hedging Agreement, (subject to applicable grace period) a failure by either party to perform any obligation under the Hedging Agreement, or the bankruptcy of a party. A termination event under the Hedging Agreement includes, inter alia, illegality, a tax event or regulatory changes affecting either party to the Hedging Agreement.

The Hedging Agreement will terminate in full if all Instruments are cancelled prior to the Maturity Date or if an Event of Default occurs in respect of the Instruments. Events of Default in respect of the Instruments include the following events:

- (i) if default in the payment of any sum due in respect of the Instruments or any of them is made for a period exceeding the Grace Period; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Instruments, the Series Instrument and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- (iii) if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution (including, without limitation, any bankruptcy (*faillite*), insolvency, voluntary, forced or judicial liquidation

(*liquidation volontaire ou judiciaire ou forcée*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) of the Issuer or the Company (as appropriate) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution or formal notice is given of an intention to appoint an administrator (including, without limitation, any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), *juge délégué* or *juge commissaire*), provisional administrator (*administration provisoire*) or any application is made or petition is lodged or documents are filed with the court or administrator in relation to the Issuer or the Company (as appropriate).

“**Grace Period**” means a period of 30 days, which is equal to the grace periods applicable to the payment of principal and interest due in respect of the Collateral before an event of default may be declared.

The Hedging Agreement will terminate in part (on a *pro rata* basis in a proportion of its nominal amount equal to the proportion that the nominal amount of the Instruments being cancelled bears to the Aggregate Nominal Amount of all Instruments immediately prior to such cancellation) if some of the Instruments are cancelled prior to the Maturity Date pursuant to the Conditions. Furthermore, the Hedging Agreement may be terminated early in case of an early redemption of the Instruments.

## 7 Early Termination of the Instruments

The Instruments may be cancelled early if:

- (a) a default, event of default or other similar event or circumstance occurs with respect to the Collateral (howsoever described and including, without limitation, a failure to pay any principal or interest when and where due in accordance with the terms of the Collateral as at the Issue Date);
- (b) any of the Collateral becomes repayable (otherwise than at the option of the relevant Collateral Obligor in accordance with the terms of the Collateral) or becomes capable of being declared due and payable prior to its stated date of maturity for whatever reason;
- (c) in the determination of the Calculation Agent, any of the following occur (including, without limitation, in connection with the application of the Alternative Investment Fund Managers Directive 2011/61/EU): (a) as a result of an implementation or adoption of, or change in, law, regulation, interpretation, action or response of a regulatory authority or (b) as a result of the promulgation of, or any interpretation by any court, tribunal, government or regulatory authority with competent jurisdiction (a “**Relevant Authority**”) of any relevant law or regulation or (c) as a result of the public or private statement or action by, or response of, any Relevant Authority or any official or representative of any Relevant Authority acting in an official capacity, such that it is or will be unlawful or there is a reasonable likelihood of it being unlawful for (i) the Issuer to maintain the Instruments or that the maintenance of the existence of the Instruments would make it unlawful to maintain the existence of any other instruments issued by the Issuer or, (ii) for the Issuer or Deutsche Bank AG, London Branch in its capacity as Arranger to perform any duties in respect of the Instruments (a “**Regulatory Event**”), and the Issuer has been unable to arrange substitution or change of itself as Issuer in order to cure such an event;
- (c) the Issuer would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount due, and the Issuer has been unable to arrange substitution or change of itself as Issuer, or is unable to do so in a tax efficient manner;
- (d) the Credit Support Document is terminated prior to the Maturity Date for any reason;
- (e) the Hedging Agreement is terminated in accordance with its terms prior to the Hedging Agreement Termination Date; or
- (f) there is a breach by the Issuer of its obligations under the Instruments or the winding-up or dissolution of the Issuer.

In any such case of early cancellation described in (a), (b), (c), (d) or (e) above the Issuer shall give not more than 30 nor less than 15 days’ notice (or not more than 30 nor less than 10 days’ notice in respect of paragraph (c)) of the date

fixed for cancellation and on expiry of such notice, or in case of an early cancellation described in (f) above upon the occurrence of such an event, (i) the Issuer shall cancel the outstanding Instruments of such Series in whole or in part, as applicable, (ii) the relevant portion of the Series Assets will be realised in accordance with the Securitisation Act 2004, if applicable, and (iii) the security constituted by or created pursuant to the Series Instrument shall become enforceable in whole or in part, as applicable.

## **8 Early Termination Amount**

The Early Termination Amount (if any) due in respect of each Instrument following the occurrence of an Event of Default, a cancellation for tax reasons, a termination of the Credit Support Document, an early termination of the Hedging Agreement, a Collateral early redemption, a Collateral Default Event or a redemption at the option of the Issuer for a Regulatory Event, shall be an amount equal to such Instrument's *pro rata* share of an amount in the Specified Currency (which may never be less than zero) determined by the Calculation Agent in accordance with the following formula (for the avoidance of doubt, the Early Termination Amount shall not include any accrued but unpaid interest amounts):

A - B

Where:

“A” is the Market Value Collateral, converted into the Specified Currency at the relevant exchange rate applicable at such time, as determined by the Calculation Agent in its reasonable discretion; and

“B” is the Early Termination Unwind Costs.

“Collateral Currency” means the currency in which the Collateral is denominated.

“Early Termination Unwind Costs” means the sum (the result of which may be positive, negative or zero) of:

(a) an amount, if any, determined by the Calculation Agent acting in good faith and a commercially reasonable manner, equal to the gain or loss realised by the Hedging Counterparty upon an unwind of the Hedging Agreement (expressed as a negative amount if a gain, and as a positive amount otherwise), taking into account (i) the sum of (without duplication) all amounts, costs, expenses (including loss of funding), tax and duties incurred by or payable to the Hedging Counterparty and (ii) the redemption of the Instruments and the related termination, settlement or re-establishment of any hedge or related trading position (but, for the avoidance of doubt in determining any such gain or loss, the obligation of the Hedging Counterparty under the Hedging Agreement to make payment of the aggregate Early Termination Amounts and any obligation of the Issuer under the Hedging Agreement to deliver the Collateral Item(s) in connection with the early termination shall be disregarded), and with (i) and (ii) above to be determined by the Calculation Agent, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, by reference to such factors as it sees fit, including, without limitation, hedging arrangements, unwind and termination costs, commissions, fees and any arrangements entered into with third parties as well as:

- (1) market variables including interest rates and implied volatility; and
  - (2) costs to the Hedging Counterparty of unwinding any underlying related hedging arrangements; and (without duplication)
- (b) (expressed as a positive amount) any legal and other ancillary costs (including if applicable, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee, the Custodian or the Hedging Counterparty as a result of the Instruments becoming subject to mandatory cancellation following an Event of Default, an early termination of the Hedging Agreement, a termination of the Credit Support Document, a cancellation for tax reasons, a Collateral Default Event, a Collateral early redemption or a redemption at the option of the Issuer for a Regulatory Event.

“Early Termination Valuation Date” means:

- (a) for the purposes of a cancellation due to a Collateral Default Event, a Collateral early termination, a redemption at the option of the Issuer for a Regulatory Event, a termination of the Credit Support Document, a cancellation for tax reasons or an early termination of the Hedging Agreement, the Business Day immediately preceding the due date for cancellation; or

(b) for the purposes of a cancellation due to the occurrence of an Event of Default, the due date for cancellation.

“**Market Value Collateral**” means, in respect of each item of Collateral, (i) where the Collateral has not been redeemed, an amount in the relevant Collateral Currency calculated by the Calculation Agent equal to the highest firm bid quotation obtained by the Calculation Agent from the Reference Banks for the Collateral (excluding accrued but unpaid interest in respect thereof), on the relevant Early Termination Valuation Date provided that if no firm bid quotation is obtained, the Market Value Collateral shall be calculated by the Calculation Agent in good faith and may in certain circumstances be zero or (ii) in circumstances where the Collateral has been redeemed, the proceeds of redemption of the Collateral.

## 9 Redemption at the option of the Issuer on void transfer or other disposition

Any transfer or other disposition of any legal or beneficial ownership interest in an Instrument to a Non-Permitted Transferee will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in an Instrument in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Instrument.

At any time after becoming aware that any legal or beneficial ownership interest in an Instrument is held by a Non-Permitted Transferee, the Issuer shall give notice to the Trustee, the Custodian and the Calculation Agent and shall have the right to require such Non-Permitted Transferee to sell such interest to (a) an Affiliate of the Issuer (to the extent permitted by applicable law) or (b) a person who is not a Non-Permitted Transferee, in each case, at a price equal to the lesser of (x) the purchase price paid for such interest by such Non-Permitted Transferee, (y) the principal amount of such interest and (z) the fair market value of such interest, less any costs or expenses incurred by or on behalf of the Issuer in connection with such sale.

## 10 Description of the Security Structure

The Issuer will enter on the Issue Date with Deutsche Trustee Company Limited as Trustee into a Series Instrument under English law pursuant to which the Instruments will be constituted and secured. In accordance with such Series Instrument the Trustee is granted security for itself and as trustee over, *inter alia*, the Collateral and the rights of the Issuer under the Hedging Agreement as continuing security for, *inter alia*, the payment of all sums due under the Instruments.

Under the Series Instrument, the Trustee undertakes to hold on trust the security granted to it for, *inter alia*, the benefit of the Series Parties and has the right to enforce the security upon the occurrence of an Event of Default, e.g. in the event of a non-payment of interest or any other amount due under the Instruments within fourteen days from the relevant due date.

The Trustee is obliged to pay to the Series Parties (as defined in the Conditions of the Instruments) the proceeds from the realisation of the Series Assets with the priority set out in Condition 8.8 (*Application of Proceeds of Series Assets*). This means that the realisation proceeds will be used to satisfy any claims of the relevant Series Party in the respective order and the claims in the same rank will be satisfied on a pro rate basis.

According to Condition 19 (*Indemnification and Obligations of the Trustee; Replacement of the Trustee*) and the Series Instrument the Trustee may be replaced by the Issuer subject to the prior approval by an Extraordinary Resolution of the Instrumentholders and the consent of the Hedging Counterparty.

Where the Hedging Counterparty acting in its sole and absolute discretion determines that for legal, regulatory or other similar reasons, it is in the interests of any Series Party (excluding the Trustee) to replace the Trustee, the Hedging Counterparty acting in its sole and absolute discretion may elect to replace the party acting in the capacity of Trustee at that time (the “**Outgoing Trustee**”) with a replacement trustee (the “**Replacement Trustee**”) in accordance with the General Trust Terms as amended by the relevant Series Instrument. The Hedging Counterparty shall effect such replacement by giving notice to the Issuer, the Outgoing Trustee and the Replacement Trustee of such election. The Hedging Counterparty shall not incur any liability as to the consequences of its election to deliver, or to not deliver, such notice and shall not have any regard to the effect of such action.

## 11 Role of the Trustee

Pursuant to the relevant Series Instrument, the Trustee will be appointed, *inter alia*, to hold the Series Assets for the benefit of the Series Parties (which include the Instrumentholders). In the case of the security created under the

relevant Series Instrument becoming enforceable, the Trustee shall enforce such security and distribute the enforcement proceeds in accordance with the relevant priority of payments as set out in Condition 8.8 (*Application of Proceeds of Series Assets*).

## **12 Role of Agents under the Programme**

The Issuer may engage various agents in respect of the Programme and the Instruments. These Agents act solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, any Instrumentholder.

The Principal Agent or Paying Agent will have the role according to the Agency Agreement of paying, or causing to be paid, all amounts due to the Instrumentholders. The Issuer will generally procure transfer of any payments to be made to Instrumentholders to the Principal Agent or Paying Agent prior to payment to the Instrumentholders. If, however, a payment by the Issuer to the Principal Agent or Paying Agent is made late but otherwise in accordance with the terms of the Agency Agreement, the Principal Agent or Paying Agent will nevertheless make payments in respect of the relevant Series. If, however the Principal Agent or Paying Agent has reason to believe that the amounts to be received by it from the Issuer will be insufficient to satisfy all claims in respect of payments falling due in respect of any Series, the Principal Agent or Paying Agent will not be obliged to pay any such claims until it has received the full amount of such payments.

Pursuant to the Agency Agreement, the Issuer appoints the Custodian as the initial custodian of the Collateral in respect of the Instruments (to the extent such Collateral constitutes “liquid assets and securities” for the purposes of Article 22 of the Securitisation Act 2004) and the Custodian acknowledges that all such Collateral credited to its account or delivered to it shall be held in safe custody for and on behalf of the Issuer, subject to the security in favour of the Trustee as set out in the relevant Series Instrument. The Custodian (acting on behalf of the Issuer and the Trustee, respectively) shall receive all moneys in relation to the Series Assets and apply all moneys received by it under the provisions of the Series Instrument in connection with such Series Assets, in all cases in accordance with proper instructions received. The ability of the Issuer to meet its obligations with respect to the Instruments will be dependent upon receipt by the Issuer of payments from the Custodian pursuant to the Agency Agreement.

Any Calculation Agent shall perform the duties expressed to be performed by it in this Prospectus and Agency Agreement. The Calculation Agent shall make the relevant determinations and/or calculations accordingly.

Pursuant to the Agency Agreement, the Selling Agent’s role is, if instructed by the Trustee in accordance with Condition 8.10.1 (*Realisation of the Series Assets*), to use all reasonable endeavours, as the agent of the Trustee, to sell or otherwise realise the Collateral as soon as reasonably practicable on or after the date on which it receives such instruction at its best execution price less any commissions or expenses charged by the Selling Agent and specified for this purpose in the Series Instrument.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus incorporates by reference the following documents of the Issuer which have previously been published and filed with the CSSF. However, if a statement in any such document is amended or superseded, expressly, by implication or otherwise by a statement in a subsequent document and that subsequent document is incorporated by reference into this Prospectus, the original statement will no longer form part of this Prospectus.

Comparative table of documents incorporated by reference:

<b>Document incorporated by reference</b>	<b>Pages of document incorporated by reference</b>
Articles	All pages.
Annual accounts and independent auditor's report dated 31 January 2013	Pages 2-7 (Directors' Report) Page 8 (Statement of the Board of Directors' Responsibility) Pages 9-10 (Independent Auditor's Report) Page 11 (Balance Sheet of the Company) Page 12 (Profit and Loss Account of the Company) Pages 13-24 (Balance Sheet of the Compartments) Pages 25-36 (Profit and Loss Account of the Compartments) Pages 37-79 (Notes to the Annual Accounts)
Annual accounts and independent auditor's report dated 31 January 2014	Page 1 (Other information) Pages 2-6 (Directors' Report) Page 7 (Statement of the Board of Directors' Responsibility) Pages 8-9 (Independent Auditor's Report) Page 10 (Balance Sheet of the Company) Page 11 (Profit and Loss Account of the Company) Pages 12-27 (Balance Sheet of the Compartments) Pages 28-43 (Profit and Loss Account of the Compartments) Pages 44-69 (Notes to the Annual Accounts)

The information contained in the documents incorporated by reference that is not included in this cross reference list is considered as additional information and is not required by the relevant schedules of Regulation (EC) No 809/2004 of 29 April 2004 implementing the Prospectus Directive.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the written request of any such person, a copy of any or all of the documents which, or portions of which, are deemed to be incorporated herein by reference (to the extent that they relate to the Issuer). Requests for such documents should be directed to the principal office of the Issuer, being in the case of the Issuer, the address set out at the end of this Prospectus. In addition, such documents will be available free of charge from the specified offices of the Paying Agents for the time being in London and Luxembourg.

The Memorandum and Articles of Association of the Issuer are available at the Luxembourg trade and companies register (*Luxembourg registre de commerce et des sociétés*) and are published in the Mémorial.

The documents incorporated by reference are available for viewing at the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

No websites that are cited or referred to in this Prospectus shall be deemed to form part of, or to be incorporated by reference into, this Prospectus.

## CONDITIONS

The Instruments are constituted and secured by the Series Instrument.

By executing the Series Instrument, the Issuer, the Agents and the Trustee have entered into the Agency Agreement on the terms set out in and/or incorporated by reference into the Series Instrument with the persons (if any) executing the Series Instrument as the Principal Agent and/or as the Paying Agents, the Custodian and/or as the Calculation Agent and/or as the Selling Agent and/or in such other capacity as may be specified in the Series Instrument.

The Issuer and the Hedging Counterparty have, by executing the Series Instrument, entered into a Hedging Agreement.

These Conditions apply in relation to the Instruments. Copies of the Series Instrument and the documents incorporated by reference therein (including the provisions of the Agency Agreement, the Purchase Agreement and the Hedging Agreement) are available for inspection during normal office hours at the registered office of the Trustee and the specified office of each of the Paying Agents. The Instrumentholders are deemed to have notice of, and shall be bound by, all of the provisions of the Articles, the Series Instrument and the documents incorporated by reference therein (including the provisions of the Agency Agreement and the Hedging Agreement) applicable to them. These Conditions apply to Instruments as completed by the provisions of the relevant Global Instrument.

### Content Table of the Conditions

Condition	Content
Condition 1 ( <i>Definitions</i> )	Listing all defined terms used in the Conditions in alphabetic order
Condition 2 ( <i>Interpretation</i> )	Providing guidance as to the interpretation of the terms of the Conditions
Condition 3 ( <i>Form and Title</i> )	Defining the form of the Instruments and the method of transfer of title in the Instruments
Condition (4) ( <i>Status</i> )	Describing the status of the obligations of the Issuer created in respect of the Instruments
Condition 5 ( <i>Interest</i> )	Providing the variables, method and calculations in relation to determining the Interest Amount
Condition 6 ( <i>Payments Instrumentholder Expenses and Taxation</i> )	Setting out the payment provisions in relation to any payments under the Instruments
Conditions 7 ( <i>Redemption and Purchase</i> )	Determining the redemption amount in case of a redemption at maturity, an early termination, a mandatory cancellation, a cancellation for taxation and other reasons, an Issuer call option and a repurchase of Instruments
Condition 8 ( <i>Series Assets, Collateral and Security</i> )	Describing the Series Assets, the Collateral and the Hedging Collateral and the security taken in respect of the Instruments; setting out the priority of payments in respect of any proceeds from the Series Assets and the realisation of Series Assets
Condition 9 ( <i>Hedging Agreements</i> )	Describing the Hedging Agreements and the Hedging Collateral
Condition 10 ( <i>Restrictions</i> )	Describing the covenants provided by the Issuer under the Series Instrument
Condition 11 ( <i>Prescription</i> )	Specifying the prescription period for any claims against the Issuer in respect of the Instrument

Condition 12 ( <i>Events Default</i> )	Setting out the events of default and the consequences
Condition 13 ( <i>Enforcement</i> )	Specifying the powers of enforcement of any rights in relation to the Instruments
Condition 14 ( <i>Meeting of Instrumentholders, Modifications, Waiver, Substitution</i> )	Describing the requirements of a meeting of Instrumentholders, of a modification or waiver of any term in relation to the Instrument
Condition 15 ( <i>Replacement of Instruments</i> )	Describing the procedure in respect of any defect of stolen Instrument
Condition 16 ( <i>Further Issues</i> )	Allowing further issuances of Instruments of the same Series
Condition 17 ( <i>Notices and Provision of Information</i> )	Providing the notice procedure in respect of the Instruments
Condition 18 ( <i>Agents</i> )	Specifying the agents of the Issuer and the role of the relevant agent
Condition 19 ( <i>Indemnification and Obligations of the Trustee; Replacement of Trustee</i> )	Setting out the indemnification of the Issuer for the benefits of the Trustee and replacement of the Trustee
Condition 20 ( <i>Governing Law and Jurisdiction</i> )	Specifying English law as the governing law and the courts of England have jurisdiction in respect of any proceedings
Condition 21 ( <i>Contracts (Right of Third Parties) Act 1999</i> )	No other person is entitled to enforce any right under the Instruments

## 1 Definitions

### 1.1 Definitions

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

“**Affiliate**” means, in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes “control” means ownership of a majority of the voting power of an entity.

“**Agency Agreement**” means the agency agreement in respect of the Instruments entered into by the Issuer, the Trustee and the Agents by their execution of the Series Instrument, as amended, restated and/or supplemented from time to time.

“**Agents**” means the Principal Agent, the Paying Agents, the Custodian, the Calculation Agent, the Selling Agent or any of them and all references to an Agent shall include such further or other person or persons as may be appointed from time to time an agent under the Agency Agreement with the prior written approval of the Trustee under the Series Instrument.

“**Aggregate Nominal Amount**” means the aggregate nominal amount of the Instruments for the time being outstanding. The Aggregate Nominal Amount as of the Issue Date will be specified in the Series Instrument.

“**Banking Day**” means London, Luxembourg, and TARGET2.

“**Benchmark Rate**” means EURIBOR.

“**Board**” means the board of directors of the Company.

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Frankfurt, Luxembourg, and a day on which each Clearing Agent is open for business and, for the purpose of making payments in euro, if applicable, any day on which TARGET2 is open.

“**Calculation Agent**” means Deutsche Bank AG, London Branch and any successor, substitute or additional Calculation Agent from time to time appointed.

“**Calculation Amount**” means EUR 1,000.

“**Clearing Agent**” means Euroclear and/or Clearstream, Luxembourg.

“**Clearstream, Frankfurt**” means Clearstream Banking AG in Frankfurt am Main, Germany.

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme* in Luxembourg.

“**Collateral**” means a principal amount of the AUD 470,000,000 inflation linked Notes due 2020 issued by Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch (ISIN: AU3TI0000189) equal to the Aggregate Nominal Amount of the Instruments as of the Issue Date rounded to the nearest whole denomination of such securities, determined using an AUD-eur exchange rate of 1.445 Australian dollars per euro.

“**Collateral Currency**” means the currency in which the Collateral is denominated.

“**Collateral Obligor**” means Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch.

“**Company**” means Palladium Securities I S.A.

“**Companies Act 1915**” means the Luxembourg law dated 10 August 1915 on Commercial Companies, as amended.

“**Credit Support Document**” means, in relation to the Hedging Agreement, a credit support annex (Bilateral Form – Transfer) (1995 version for ISDA Agreements subject to English law) as published by the International Swaps and Derivatives Association Inc., entered into by the Issuer and the Hedging Counterparty and dated the Issue Date and as amended, restated and/or supplemented from time to time, pursuant to which the Hedging Collateral is delivered by the Hedging Counterparty to the Custodian.

“**Custodian**” means Deutsche Bank Luxembourg S.A. in the capacity of custodian and any successor, substitute or additional Custodian from time to time appointed.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Instrument for any period of time (whether or not constituting an Interest Period, the “**Calculation Period**”) the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

“**Deutsche Bank Group**” means a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies, whose parent company is Deutsche Bank Aktiengesellschaft.

“**Early Termination Amount**” means, in respect of Condition 7.3 (*Mandatory cancellation*), Condition 7.5 (*Redemption at option of the Issuer for Regulatory Event*) and Condition 7.6 (*Cancellation for taxation and other reasons*), Condition 12 (*Events of Default*), an amount calculated in accordance with Condition 7.2 (*Early Termination*).

“**Early Termination Interest Period**” means the Interest Period in which the Instruments become due and payable pursuant to Condition 7.3 (*Mandatory cancellation*), Condition 7.5 (*Redemption at option of the Issuer for Regulatory Event*), Condition 7.6 (*Cancellation for Taxation or other reasons*) or Condition 12 (*Events of Default*).

“**Early Termination Unwind Costs**” means the sum (the result of which may be positive, negative or zero) of:

(a) an amount, if any, determined by the Calculation Agent acting in good faith and a commercially reasonable manner, equal to the gain or loss realised by the Hedging Counterparty upon an unwind of the Hedging Agreement (expressed as a negative amount if a gain, and as a positive amount otherwise), taking into account (i) the sum of (without duplication) all amounts, costs, expenses (including loss of funding), tax and duties incurred by or payable to the Hedging Counterparty and (ii) the redemption of the Instruments and the related termination, settlement or re-establishment of any hedge or related trading position (but, for the avoidance of doubt in determining any such gain or loss, the obligation of the Hedging Counterparty under the Hedging Agreement to make payment of the aggregate Early Termination Amounts and any obligation of the Issuer under the Hedging Agreement to deliver the Collateral Item(s) in connection with the early termination shall be disregarded), and with (i) and (ii) above to be determined by the Calculation Agent, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, by reference to such factors as it sees fit, including, without limitation, hedging arrangements, unwind and termination costs, commissions, fees and any arrangements entered into with third parties as well as:

- (1) market variables including interest rates and implied volatility; and
- (2) costs to the Hedging Counterparty of unwinding any underlying related hedging arrangements; and (without duplication)

(b) (expressed as a positive amount) any legal and other ancillary costs (including if applicable, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee, the Custodian or the Hedging Counterparty as a result of the Instruments becoming subject to mandatory cancellation following an Event of Default, an early termination of the Hedging Agreement, a termination of the Credit Support Document, a cancellation for tax reasons, a Collateral Default Event, a Collateral early redemption or a redemption at the option of the Issuer for a Regulatory Event.

“**Early Termination Valuation Date**” means:

- (a) for the purposes of a cancellation under Condition 7.3 (*Mandatory cancellation*), Condition 7.5 (*Redemption at option of the Issuer for Regulatory Event*) or Condition 7.6 (*Cancellation for other reasons*), the Business Day immediately preceding the due date for cancellation; or

(b) for the purposes of a cancellation under Condition 12 (*Events of Default*), the due date for cancellation.

“**Effective Date**” means, with respect to any Interest Rate to be determined on an Interest Determination Date, the first day of the Interest Period to which such Interest Determination Date relates.

“**EURIBOR**” means the rate for deposits in EUR which appears on the Reuters Screen EURIBOR01 Page (or any Successor Source).

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**Event of Default**” means each of the events specified as such in Condition 12 (*Events of Default*).

“**Extraordinary Resolution**” means a resolution passed at a meeting of Instrumentholders duly convened and held in accordance with the Series Instrument by a majority of at least 75 per cent. of the votes cast or a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in Aggregate Nominal Amount of the Instruments for the time being outstanding.

“**Final Redemption Amount**” means 100 per cent. per Calculation Amount per Instrument.

“**General Trust Terms**” means the trust terms module in respect of the Instruments entered into by the Issuer, the Trustee and the Hedging Counterparty by their execution of the Series Instrument, as amended, restated and/or supplemented from time to time.

“**Global Instrument**” has the meaning given to that term in Condition 3.1 (*Form of Instruments*).

“**Grace Period**” means 30 days, which is equal to the grace period applicable to the payment of principal and interest due in respect of the Collateral before an event of default may be declared.

“**Hedging Agreement**” means the hedging agreement between the Issuer and a Hedging Counterparty in respect of the Instruments on the terms of the ISDA Master Agreement (including the related schedule) set out in and/or incorporated by reference into the Series Instrument, as supplemented by (a) a confirmation and (b) the Credit Support Document, in each case, entered into by the Issuer and such Hedging Counterparty and dated the Issue Date and as amended, restated and/or supplemented from time to time.

“**Hedging Agreement Termination Date**” means 28 August 2020.

“**Hedging Collateral**” means such cash and/or government bonds and/or other assets delivered by the Hedging Counterparty to the Custodian from time to time pursuant to the terms of the Credit Support Document.

“**Hedging Counterparty**” means Deutsche Bank AG London Branch of Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and any successor, substitute or additional Hedging Counterparty from time to time appointed.

“**Instruments**” means the up to EUR 75,000,000 Series 143 Fixed to Floating Rate Instruments due 2020 (ISIN: XS1093823968 and Common Code: 1093823968).

“**Instrumentholder Expenses**” means, in respect of an Instrument, all taxes, duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, in each case payable by or on behalf of the Issuer and arising in connection with (i) the exercise of such Instrument and/or (ii) any payment and/or delivery due following exercise, cancellation, repurchase, redemption or otherwise in respect of such Instrument.

“**Interest Accrual Date**” means each 12 September from and including 12 September 2015 to and including 12 September 2019, and 28 August 2020 (without adjustment).

“**Interest Amount**” means, in respect of each Instrument, an amount calculated by the Calculation Agent in accordance with Condition 5 (*Interest*).

“**Interest Determination Date**” means the day falling two Banking Days prior to the first day of each Interest Period.

“**Interest Payment Date**” means each 12 September from and including 12 September 2015 to and including 12 September 2019, and 28 August 2020.

“**Interest Period**” means the period commencing on (and including) the Issue Date to (but excluding) the first Interest Accrual Date and each period commencing on (and including) an Interest Accrual Date to (but excluding) the next following Interest Accrual Date and, if interest is required to be calculated for a period ending other than on (but excluding) the relevant Interest Accrual Date, the period commencing on (and including) the most recent Interest Accrual Date to (but excluding) the relevant payment date.

“**Interest Rate**” means, subject as provided below, (i) for each Interest Period commencing prior to the Interest Rate Switch Date, the 1.50 per cent. per annum; and (ii) for each Interest Period commencing on or after the Interest Rate Switch Date, the rate of interest payable from time to time in respect of the Instruments calculated in accordance with the provisions of Condition 5.2 (*Floating Rate Interest*) and adjusted to reflect the Maximum Interest Rate and the Minimum Interest Rate.

“**Interest Rate Switch Date**” means 12 September 2016.

“**Issue Date**” means 12 September 2014.

“**Issue Price**” means EUR1,000 per Instrument.

“**Issuer**” means the Company acting in respect of a Compartment 143-2014-18.

“**Listing Agent**” means Deutsche Bank AG London Branch of Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and any successor, substitute or additional Listing Agent from time to time appointed.

“**Luxembourg**” means the Grand Duchy of Luxembourg.

“**Market Value Collateral**” means, in respect of each item of Collateral, (i) where the Collateral has not been redeemed, an amount in the relevant Collateral Currency calculated by the Calculation Agent equal to the highest firm bid quotation obtained by the Calculation Agent from the Reference Banks for the Collateral (excluding accrued but unpaid interest in respect thereof), on the relevant Early Termination Valuation Date provided that if no firm bid quotation is obtained, the Market Value Collateral shall be calculated by the Calculation Agent in good faith and may in certain circumstances be zero, or (ii) in circumstances where the Collateral has been redeemed, the proceeds of redemption of the Collateral.

“**Maturity Date**” means the Interest Payment Date scheduled to fall in August 2020.

“**Maximum Interest Rate**” means 3.00 per cent. per annum.

“**Minimum Interest Rate**” means 0.50 per cent. per annum.

“**Net Proceeds**” means the net proceeds of the realisation of the security created pursuant to the Series Instrument.

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

“**Paying Agent**” means the person(s) executing the Agency Agreement in the capacity of paying agent and any successor, substitute or additional Paying Agent from time to time appointed.

“**Payment Day**” means any day which is (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation and London and Luxembourg; and (ii) either (1) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of such currency (if other than the place of presentation) or (2) in relation to any sum payable in euro, a day that TARGET2 is open.

“**Permitted Indebtedness**” has the meaning given to that term in Condition 10.1.1.

“**Permitted Investments**” has the meaning given to that term in Condition 10.1.1.

“**Potential Event of Default**” means an event which, with the giving of notice and/or lapse of time and/or the forming of an opinion and/or the giving of any certificate and/or the making of any determination, would become an Event of Default.

“**Primary Market End Date**” means 9 September 2014.

“**Principal Agent**” means Deutsche Bank AG, London Branch or any successor, substitute or additional Principal Agent from time to time appointed.

“**Purchase Agreement**” means the purchase agreement in respect of the Instruments pursuant to which the Instruments are purchased by the Purchaser on the Issue Date, entered into by the Issuer and the Purchaser by their execution of the Series Instrument, as amended, restated and/or supplemented from time to time.

“**Purchaser**” means the person (if any) executing the Series Instrument in the capacity of purchaser.

“**Redemption Amount**” means the Final Redemption Amount or the Early Termination Amount, as applicable.

“**Redemption Date**” means the Maturity Date or the date on which any Early Termination Amount is due to be paid, as applicable.

“**Reference Banks**” means Deutsche Bank AG and two banks unaffiliated to Deutsche Bank AG designated by the Calculation Agent at the relevant time.

“**Regulation S**” means Regulation S of the Securities Act.

“**Relevant Financial Centre**” means London.

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

“**Relevant Time**” means, with respect to any Interest Determination Date, 11.00 am (London time).

“**Replacement Trustee**” means any replacement trustee appointed by the Hedging Counterparty in accordance with the General Trust Terms as amended by the relevant Series Instrument.

“**Representative Amount**” means an amount that is representative for a single transaction in the relevant market at the time.

“**Securities Act**” means the United States Securities Act of 1933, as amended.

“**Securitisation Act 2004**” means the Luxembourg act dated 22 March 2004 on securitisation, as amended.

“**Selling Agent**” means the person executing the Agency Agreement in the capacity of selling agent and any successor, substitute or additional Selling Agent from time to time appointed.

“**Series**” means a series of instruments issued by the Company in respect of a Compartment.

“**Series Assets**” means the Collateral and the other property, assets and/or rights of the Issuer so specified to be Series Assets in the Series Instrument for the Instruments and which have been charged, assigned, pledged and/or otherwise made subject to the security created by the Issuer in favour of the Trustee pursuant to the Series Instrument. The Series Assets shall have characteristics whereby, taken together, they demonstrate a capacity to produce funds to service the Issuer’s obligations to make payments due and payable under the Instruments.

“**Series Instrument**” means the Series Instrument dated the Issue Date made between, *inter alios*, the Issuer and the Trustee, by which the Instruments is constituted and secured, as amended, restated and/or supplemented from time to time.

“**Series Parties**” means the Instrumentholders, the Trustee, the Custodian and the Hedging Counterparty, all of whom expressly accept, and shall be deemed to be bound by, the provisions of the Securitisation Act 2004 and, in particular, the provisions on limited recourse, no petition, subordination, waterfall and priority of payments as included in the Conditions.

“**Shortfall**” means the amount, if any, by which the amount of the Net Proceeds is less than the payments which would, but for the provisions of Condition 8.10 (*Realisation of the Series Assets*), have been due under the Instruments and each Hedging Agreement and/or to any other Series Parties.

“**Specified Currency**” means EUR.

“**Specified Denomination**” means EUR 1,000.

“**Specified Duration**” means 12 months.

“**Specified Office**” means, in relation to the Paying Agent, Winchester House, 1 Great Winchester Street, London EC2N 2DB or such other office as may otherwise be determined pursuant to the Series Instrument.

“**Substitute Company**” has the meaning given to that term in Condition 14.4 (*Substitution*).

“**Successor Source**” means, in respect of a page, screen or other published source, (i) any successor display page, other published source, information vendor, service or provider that has been officially designated by the sponsor of the original page or source, or (ii) if the sponsor has not officially designated a successor display page, other published source, information vendor, service or provider (as the case may be), the successor display page, other published source, information vendor, service or provider, if any, designated by the relevant information vendor, service or provider (if different from the sponsor).

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer System.

“**Trustee**” means Deutsche Trustee Company Limited of Winchester House, 1 Great Winchester Street, London EC2N 2DB and any successor, substitute or additional Trustee from time to time appointed, or the Replacement Trustee, in the event that the Replacement Trustee is appointed as Trustee in accordance with the General Trust Terms as amended by the relevant Series Instrument.

“**US Persons**” or individually a “**US Person**” has the meaning given to that term in Rule 902 under the Securities Act.

## 2 Interpretation

Words and expressions defined in the Series Instrument or the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated. In the event of inconsistency between the Agency Agreement and the Series Instrument, the Series Instrument shall prevail.

Reference in these Conditions to “**Instruments**” means the Instruments, together with any further Instruments issued pursuant to Condition 16 (*Further Issues*) and being consolidated and forming a single series with such Instruments.

The terms “**Instruments**”, “**holder of Instruments**” and “**Instrumentholder**” shall be construed in accordance with Condition 3.2 (*Title and Transfer*).

In these Conditions and in the Series Instrument, the term “outstanding” means, in relation to the Instruments, all the Instruments issued except (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including premium, if any, and all interest accrued thereon to the date for such redemption and any interest payable under the Conditions after such date) have been duly paid, (c) those which have become void and those in respect of which claims have become prescribed in accordance with the Conditions, (d) those which have been purchased and cancelled as provided in the Conditions, (e) those mutilated or defaced Instruments which have been surrendered in exchange for replacement Instruments, and (f) (for the purpose only of determining how many Instruments are outstanding and without prejudice to their status for any other purpose) those Instruments alleged to have been lost, stolen or destroyed and in respect of which replacement Instruments have been issued; provided that for the purposes of (1) the exercise of any right of the relevant Instrumentholders (other than to payment), (2) the determination of how many Instruments are outstanding for the purposes of the provisions in the Series Instrument relating to the holding of meetings of Instrumentholders, the provision by the Instrumentholders of a resolution in writing or any other direction or request thereof or ascertaining whether a requirement under the Series Instrument or the Conditions for a specified percentage of the Aggregate Nominal Amount of the Instruments outstanding has been satisfied and (3) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Instrumentholders of Instruments, those Instruments which are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding.

### **3 Form and Title**

#### **3.1 Form of Instruments**

The Instruments will be issued in bearer form and in the Specified Denomination.

The Instruments will initially be represented by interests in a temporary global instrument (a “**Temporary Global Instrument**”) and thereafter be represented by a permanent global instrument (a “**Permanent Global Instrument**”) and together with a Temporary Global Instrument, each a “**Global Instrument**”), in each case in bearer form, without interest coupons, which will be deposited on the relevant Issue Date with the Clearing Agent or its depositary or custodian. The Instruments will be issued in compliance with U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”). On and after the date specified in the relevant Temporary Global Instrument, interests in a Temporary Global Instrument may be exchanged for interests in a Permanent Global Instrument in accordance with the provisions in such Global Instruments.

The following legend will appear on the Instruments:

“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.

NO U.S. PERSON (AS DEFINED IN REGULATION S OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED) MAY BENEFICIALLY OWN ANY PORTION OF THIS OBLIGATION AND, AS PROVIDED HEREIN, NO SUCH PERSON SHALL BE ENTITLED TO PAYMENT OF PRINCIPAL OR INTEREST ON OR IN RESPECT OF THIS OBLIGATION.”

The Global Instrument issued in respect of the Instruments may only be exchanged for Instruments in definitive form in certain limited circumstances as set out in the Global Instrument.

#### **3.2 Title and Transfer**

For so long as any of the Instruments are represented by Global Instruments held on behalf of a Clearing Agent, each person (other than another Clearing Agent) who is for the time being shown in the records of the

relevant Clearing Agent as the holder of an aggregate nominal amount of such Instruments (in which regard any certificate or other document issued by the relevant Clearing Agent as to the aggregate nominal amount of Instruments standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated to the full extent permitted by applicable laws and unless otherwise ordered by a court of competent jurisdiction by the Issuer, the Trustee and the Agents as the holder of such aggregate nominal amount or number of the Instruments and for all purposes other than with respect to the payment of principal or interest on such aggregate nominal amount of the Instruments, the rights to which shall be vested solely in the bearer of the Global Instrument and for which purpose such bearer shall be deemed to be the holder of such aggregate nominal amount of the Instruments (and the terms “**Instruments**”, “**holder of Instruments**”, “**Instrumentholder**” and related expressions shall be construed accordingly) for all purposes. Deutsche Bank AG, London Branch will act as depositary. The Global Instrument will be transferable in accordance with applicable law and any rules and procedures for the time being of the relevant Clearing Agent.

### **3.3 Transfer and Exchange of Instruments**

Instruments of one Specified Denomination may not be exchanged for Instruments of another Specified Denomination.

Transfers of a Global Instrument shall be limited to transfers of such Global Instrument, in whole but not in part, to the relevant Clearing Agent or its custodian or nominee or to a successor to such Clearing Agent.

### **3.4 Exchange and transfer free of charge**

Exchange and transfer of Instruments on transfer will be effected without charge by or on behalf of the Issuer, but upon payment by the relevant Instrumentholder of any tax or other governmental charges which may be imposed in relation to it.

## **4 Status**

The Instruments are limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves, which are subject to the provisions of the Securitisation Act 2004 and secured in the manner described in Condition 8 (*Series Assets, Collateral and Security*) and recourse in respect of which is limited in the manner described in Condition 8.10 (*Realisation of the Series Assets*).

## **5 Interest**

### **5.1 Fixed Rate Interest**

Each Instrument bears interest on the Calculation Amount per Instrument, from the Issue Date to the Interest Rate Switch Date, at the rate per annum (expressed as a percentage) equal to the applicable Interest Rate, such interest being payable in arrear on each applicable Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5.5 (*Interest Calculations and Determinations*). For each applicable Interest Period the Interest Amount shall be equal to EUR 15.00 per Instrument.

### **5.2 Floating Rate Interest**

#### **5.2.1 Interest Rate**

Each Instrument bears interest on its Calculation Amount per Instrument, from the Interest Rate Switch Date at the rate equal to the applicable Interest Rate, such interest being payable in arrear on each applicable Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5.5 (*Interest Calculations and Determinations*).

#### **5.2.2 Business Day Convention**

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the

next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day.

### **5.2.3 Determination of Interest Rate**

The Interest Rate for each Interest Period commencing on or after the Interest Rate Switch Date will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as the Relevant Rate appearing on the Page at the Relevant Time on the Interest Determination Date and shall be subject to the Maximum Interest Rate and Minimum Interest Rate.

If no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Relevant Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent.

If no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Relevant Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) which the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark Rate) in respect of a loan of a Representative Amount of the Specified Currency which at least two out of five leading banks selected by the Calculation Agent in the Relevant Financial Centre are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (x) to leading European banks, or, if the Calculation Agent determines that fewer than two of such banks are so quoting to leading European banks (y) to leading banks carrying on business in the Relevant Financial Centre: except that, if fewer than two of such banks are so quoting to leading banks in the Relevant Financial Centre, the Relevant Rate shall be the Relevant Rate determined on the immediately preceding Interest Determination Date.

## **5.3 Interest accrual**

Interest will cease to accrue on each Instrument on the due date for redemption or for cancellation, as the case may be, unless 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 determined in accordance with the applicable method to the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Instrumentholders in accordance with Condition 17 (*Notices and Provision of Information*) that, upon further presentation of the Global Instrument being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

## **5.4 Interest Rate Switch**

From and including the Interest Rate Switch Date, the Interest Rate applicable for the calculation of interest for each subsequent Interest Period with respect to the Instruments shall be a floating rate calculated in accordance with the provisions of Condition 5.2 (*Floating Rate Interest*) and the previous fixed rate applicable to the Instruments shall no longer apply.

## **5.5 Interest Calculations and Determinations**

**5.5.1** The amount of interest payable per Calculation Amount in respect of any Instrument for any Interest Period shall be equal to the product of the Interest Rate, the Calculation Amount, and the Day Count Fraction for such Interest Period, unless an Interest Amount is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Instrument for such Interest Period shall equal such Interest Amount. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

**5.5.2** As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to obtain any quotation or make any

determination or calculation, the Calculation Agent will determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period, obtain such quotation or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Principal Agent, each of the Paying Agents, the Instrumentholders and, for so long as the Instruments are listed on a stock exchange and the rules of such stock exchange require, such stock exchange, as soon as possible after their determination. The Interest Amount and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made with the prior written consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

**5.5.3** If the Instruments become due and payable under Condition 7.3 (*Mandatory cancellation*), Condition 7.5 (*Redemption at option of the Issuer for Regulatory Event*) and Condition 7.6 (*Cancellation for taxation and other reasons*), or Condition 12 (*Events of Default*), the accrued interest and the Interest Rate payable in respect of the Instruments shall nevertheless continue to be calculated as previously in accordance with this Condition 5.5 but no notification of the Interest Rate or the Interest Amount so calculated needs to be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

**5.5.4** If the Calculation Agent does not at any time for any reason determine or calculate the Interest Rate for an Interest Period or any Interest Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition 5.5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

## **5.6 Maximum/Minimum Interest Rates and Rounding**

**5.6.1** From the Interest Rate Switch Date, each Interest Rate shall be subject to the Maximum Interest Rate and the Minimum Interest Rate.

**5.6.3** For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in any country of such currency.

## **6 Payments, Instrumentholder Expenses and Taxation**

### **6.1 Payments in respect of Instruments in definitive form**

Payments of principal and interest in respect of Instruments in definitive form shall, subject as mentioned below, be made against presentation and surrender of the relevant Instruments at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in such currency with a Bank nominated by such holder presenting such Instrument. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.

### **6.2 Payments in respect of Global Instruments**

No payment falling due after the date of exchange will be made on any Global Instrument unless exchange for an interest in a Permanent Global Instrument or for Instruments in definitive form is improperly withheld or refused. Payments on any Temporary Global Instrument issued in compliance with the TEFRA D Rules before the date of exchange will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Instruments represented

by a Global Instrument will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Instruments, surrender of that Global Instrument to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Instrumentholders for such purpose. A record of each payment so made will be endorsed on each Global Instrument, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Instruments. For the purpose of any payments made in respect of a Global Instrument, the words “in the relevant place of presentation,” shall not apply in the definition of Payment Day.

### **6.3 Payments subject to law, etc.**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives but without prejudice to the provisions of Condition 6.5 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 6.5 (*Taxation*)). Redemption of the Instruments is subject to all applicable laws, regulations and practices in force on any relevant date of redemption and neither the Issuer nor the Trustee nor any Agent shall incur any liability whatsoever if the Issuer or the Agent is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Trustee nor the Principal Agent shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Instruments.

### **6.4 Instrumentholder Expenses**

In respect of each Instrument, all Instrumentholder Expenses in respect thereof shall be for the account of the relevant Instrumentholder and any payment or delivery in respect of an Instrument shall only be made after all Instrumentholder Expenses in respect thereof have been paid or otherwise accounted for to the satisfaction of the Issuer.

### **6.5 Taxation**

All payments and/or deliveries in respect of the Instruments will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever). The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Instrumentholder shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer (or agreement to transfer), any payment and/or any delivery (or any agreement for delivery) in respect of the Instruments held by such Instrumentholder. The Issuer shall have the right, but shall not be obliged (unless required by law), to withhold or deduct from any amount payable or, as the case may be, any delivery due to the Instrumentholder, such amount or portion as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment. For the avoidance of doubt the Issuer shall not assume any responsibility for such withholding or deduction.

### **6.6 Non-Payment Days**

If any date for payment in respect of any Instrument is not a Payment Day, the holder shall not be entitled to payment until the next following Payment Day nor to any interest or other sum in respect of such postponed payment.

## **7 Redemption and Purchase**

### **7.1 Redemption at Maturity**

Unless previously redeemed or purchased and cancelled, each Instrument will be redeemed by the Issuer by payment of the Final Redemption Amount on the Maturity Date.

## 7.2 Early Termination

The Early Termination Amount (if any) due in respect of each Instrument payable in respect of any Instrument following the occurrence of an Event of Default, upon redemption of such Instrument in accordance with Condition 7.3 (*Mandatory cancellation*), Condition 7.5 (*Redemption at the Option of the Issuer for Regulatory Redemption Event*), or Condition 7.6 (*Cancellation for taxation and other reasons*), shall be an amount equal to such Instrument's *pro rata* share of an amount in the Specified Currency (which may never be less than zero) determined by the Calculation Agent in accordance with the following formula:

(A – B)

Where:

“A” is the Market Value Collateral, converted into the Specified Currency (if applicable) at the relevant exchange rate applicable at such time, as determined by the Calculation Agent in its reasonable discretion; and

“B” is the Early Termination Unwind Costs.

## 7.3 Mandatory cancellation

The Instruments will be cancelled in whole or in part (as specified below in this Condition 7.3) if:

- 7.3.1 any of the Collateral becomes repayable (otherwise than at the option of the relevant Collateral Obligor in accordance with the terms of the Collateral) or becomes capable of being declared due and payable prior to its stated date of maturity for whatever reason; or
- 7.3.2 there is a default, event of default or other similar event or circumstance has occurred in respect of any of the Collateral (howsoever described and including, without limitation, a failure to pay any principal or interest when and where due in accordance with the terms of the Collateral as at the Issue Date); or
- 7.3.3 if any of the Collateral becomes repayable at the option of the Collateral Obligor in accordance with the terms of such Collateral,

all such Collateral which has become so repayable or capable of being declared due and repayable prior to its stated maturity or in respect of which there is a payment default together with all remaining Collateral shall be deemed to have become immediately repayable (the “**Repayable Assets**”).

Upon the occurrence of any event described in Condition 7.3.1 or 7.3.2 or 7.3.3, the Issuer shall forthwith give not more than 30 nor less than 15 days' notice to the Trustee, the Instrumentholders, the Hedging Counterparty and, for as long as the Instruments are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, specifying the Aggregate Nominal Amount of the Instruments to be cancelled, the principal amount of the Repayable Assets and the due date for cancellation. Upon expiry of such notice: (i) the Issuer shall redeem each Instrument in whole or, as the case may be, in part on a *pro rata* basis in each case at its Early Termination Amount (which, for the avoidance of doubt shall include accrued interest to the date fixed for cancellation); the nominal amount of each Instrument shall be reduced in a proportion equal to the proportion that (a) the principal amount of the Repayable Assets which are the subject of such notice bears to (b) the principal amount of the Collateral (which, for the avoidance of doubt, shall include the Repayable Assets which have not, at the date of the giving of the notice, been the subject of any previous such notice); and (ii) the security constituted by or created pursuant to the Series Instrument over the Repayable Assets shall become enforceable.

Interest shall continue to accrue on the part of the principal amount of interest-bearing Instruments which have become due for cancellation until payment thereof has been made to the Trustee and notice is given in accordance with Condition 17 (*Notices and Provision of Information*) that such amount is available for payment. Failure to make any payment due in respect of a mandatory cancellation under this Condition 7.3 of part of the principal amount of the Instruments or interest thereon shall not constitute an Event of Default under Condition 12 (*Events of Default*).

In the event of such cancellation and the security constituted by or created pursuant to the Series Instrument becoming enforceable, the Trustee may take such action as is provided in Condition 8.8.1 (*Application of Proceeds of Series Assets*) and shall do so if so requested or directed in accordance with the provisions of such Condition (subject in each case to its being indemnified and/or secured in accordance with such Condition and provided always that the Trustee shall not be required to do anything which is contrary to any applicable law).

#### 7.4 Redemption at the option of the Issuer on void transfer or other disposition

7.4.1 Any transfer or other disposition of any legal or beneficial ownership interest in an Instrument to:

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S of the Securities Act; or
- (b) a person who comes within any definition of U.S. person for the purposes of the Commodity Exchange Act of 1936, as amended, or any rule, guidance or order proposed or issued by the Commodity Futures Trading Commission (the “CFTC”) thereunder (including but not limited to any person who is not a “Non-United States person” under CFTC Rule 4.7(a)(1)(iv) (excluding for purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not “Non-United States persons”)),

(each such person or account, a “**Non-Permitted Transferee**”), shall be deemed to be void *ab initio*, with the result that such transfer or other disposition will be of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in an Instrument in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Instrument, and the Issuer shall be entitled to cease to make any payments in respect of Instruments held by a Non-Permitted Transferee.

7.4.2 Any transfer or other disposition of any legal or beneficial ownership interest in an Instrument to (i) an employee benefit plan (as defined in section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended, (“**ERISA**”)), whether or not subject to ERISA; (ii) a plan described in section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended; or (iii) an entity whose underlying assets include plan assets by reason of a plan's investment in the entity under US Department of Labor Regulations § 2510.3-101 (29 c.f.r. § 2510.3-101) (each a “**Benefit Plan Investor**”), or to a transferee using the assets of a Benefit Plan Investor to acquire such interest securities or holding such interest for or on behalf of a Benefit Plan Investor, shall be deemed to be void *ab initio*, with the result that such transfer or other disposition will be of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in an Instrument in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Instrument, and the Issuer shall be entitled to cease to make any payments in respect of Instruments held by a Benefit Plan Investor.

7.4.3 Notwithstanding any other provision of these Conditions, if the Issuer becomes aware that any legal or beneficial ownership interest in an Instrument is held by a Non-Permitted Transferee or a Benefit Plan Investor, the Issuer shall have the right to give notice thereof to the Trustee, the Custodian and the Calculation Agent and shall have the right upon delivery of such notice to require such Non-Permitted Transferee or Benefit Plan Investor to sell such interest to (a) the Arranger or to any of its Affiliates (to the extent permitted by applicable law) or (b) a person who is neither a Non-Permitted Transferee nor a Benefit Plan Investor, in each case, at a price equal to the lesser of (x) the purchase price paid for such interest by such Non-Permitted Transferee or Benefit Plan Investor, (y) the principal amount of such interest and (z) the fair market value of such interest, less any costs or expenses incurred by or on behalf of the Issuer and the Arranger in connection with such sale. For the purposes of any transfer completed pursuant to this Condition 7.4.3 only, Conditions 7.4.1 and 7.4.2 shall be deemed not to apply to the relevant Instruments, provided that the Issuer shall be entitled to cease to make any payments in respect of Instruments held by a Non-Permitted Transferee or a Benefit Plan Investor.

By purchasing any of the Instruments each Instrumentholder is deemed to have acknowledged and accepted the rights of, and the exercise of such rights by, the Issuer set out above.

## 7.5 Redemption at option of the Issuer for Regulatory Event

If in the determination of the Calculation Agent, acting in good faith and a commercially reasonable manner, a Regulatory Event occurs and the Issuer has so informed the Trustee, and has used all reasonable endeavours to cure such Regulatory Event by (i) arranging (subject to and in accordance with Condition 14.4 (*Substitution*)) for its substitution by a company incorporated in the same or another jurisdiction as the Issuer or (ii) (with the prior written consent of the Trustee and any Hedging Counterparty) changing its residence for regulatory purposes or, to the extent permitted by law, change its domicile to another jurisdiction approved beforehand in writing by the Trustee and any Hedging Counterparty and has been unable to arrange such substitution or change, or is unable to do so in a commercially reasonable manner, then the Issuer shall forthwith give not more than 30 Business Days' nor less than 10 Business Days' notice to the Trustee, the Instrumentholders, the Hedging Counterparty (if applicable) and, for as long as the Instruments are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, and upon expiry of such notice shall cancel all but not some only of the Instruments at their Early Termination Amount (if any) together with interest accrued to the date fixed for cancellation. For the purposes of this Condition 7.5:

“**Regulatory Event**” means the occurrence of any of the following (including, without limitation, in connection with the application of the Alternative Investment Fund Managers Directive 2011/61/EU): (a) as a result of an implementation or adoption of, or change in, law, regulation, interpretation, action or response of a regulatory authority or (b) as a result of the promulgation of, or any interpretation by any court, tribunal, government or regulatory authority with competent jurisdiction (a “**Relevant Authority**”) of, any relevant law or regulation or (c) as a result of the public or private statement or action by, or response of, any Relevant Authority or any official or representative of any Relevant Authority acting in an official capacity, such that it is or will be unlawful or there is a reasonable likelihood of it being unlawful for (i) the Issuer to maintain the Instruments or that the maintenance of the existence of the Instruments would make it unlawful to maintain the existence of any other instruments issued by the Issuer or, (ii) for the Issuer or Deutsche Bank AG, London Branch in its capacity as Arranger to perform any duties in respect of the Instruments.

## 7.6 Cancellation for taxation and other reasons

If:

- 7.6.1 the Issuer, on the occasion of the next payment due in respect of the Instruments, would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount due, and the Issuer has so informed the Trustee, and has used all reasonable endeavours to arrange (subject to and in accordance with Condition 14.4 (*Substitution*)) the substitution of a company incorporated in another jurisdiction as the principal obligor or (with the prior written consent of the Trustee and the Hedging Counterparty) to change its residence for taxation purposes or, to the extent permitted by law, change its domicile to another jurisdiction approved beforehand in writing by the Trustee and the Hedging Counterparty and has been unable to arrange such substitution or change, or is unable to do so in a tax efficient manner, before the next payment is due in respect of the Instrument; and/or
- 7.6.2 the Credit Support Document is terminated prior to the Maturity Date for any reason; and/or
- 7.6.3 the Hedging Agreement is terminated in accordance with its terms prior to the Hedging Agreement Termination Date,

then the Issuer shall forthwith give not more than 30 nor less than 15 days' notice to the Trustee, the Instrument holders, the Hedging Counterparty and, for as long as the Instruments are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, and upon expiry of such notice (i) the Issuer shall cancel all but not some only of the Instruments at their Early Termination Amount (which, for the avoidance of doubt, shall include accrued interest to the date fixed for cancellation), (ii) the Series Assets will be realised in accordance with the Securitisation Act 2004 and (iii) the security constituted by or created pursuant to the Series Instrument shall become enforceable (if the same shall not already have become enforceable in accordance with these Conditions).

Notwithstanding the foregoing, if any of the taxes referred to in Condition 7.6.1 above arises (i) by reason of any Instrumentholder's connection with the jurisdiction of incorporation of the Issuer otherwise than by reason only of the holding of any Instrument or receiving or being entitled to any Redemption Amount or

interest in respect thereof; or (ii) by reason of the failure by the relevant Instrumentholder to comply with any applicable procedures required to establish non-residence or other similar claims for exemption from such tax, then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Instrumentholder, all other Instrumentholders shall receive the due amounts payable to them and the Issuer shall not be required by reason of such deduction to endeavour to arrange any substitution, or to cancel the Instruments, pursuant to this Condition 7.6. Any such deduction shall not be an Event of Default under Condition 12 (*Events of Default*).

In the event of such cancellation and the security constituted by the Series Instrument becoming enforceable, the Trustee may take such action as is provided in Condition 8.10.1 (*Realisation of the Series Assets*) and shall do so if so requested or directed in accordance with the provisions of such Condition (subject in each case to it being indemnified and/or secured in accordance with such Condition and provided that the Trustee shall not be required to do anything which is contrary to applicable law).

#### **7.7 Purchases**

Subject to receipt by the Issuer of an amount (whether by sale of the Collateral (or in the case of a purchase of some only of the Instruments, a proportion of the Collateral corresponding to the proportion of the Instruments to be purchased) or otherwise) which, plus or minus the aggregate of any termination payment and any expenses payable to or by the Issuer from or to the Hedging Counterparty or other relevant party on the termination (or, as the case may be, partial termination) of the Hedging Agreement, is sufficient to fund the purchase price payable by the Issuer, the Issuer may purchase Instruments in the open market or otherwise at any price. Voting rights attached to Instruments held by the Issuer are suspended but only as long as the Instruments are held by the Issuer.

#### **7.8 Cancellation**

All Instruments purchased by or on behalf of the Issuer must be cancelled by surrendering the relevant Global Instrument or Instruments in definitive form (as the case may be) for endorsement to, or to the order of, the Principal Agent and, when so surrendered, the Global Instrument or Instruments in definitive form (as the case may be) will be endorsed to reflect such cancellation. Any Instruments cancelled or so surrendered for cancellation may not be held, reissued or resold and the obligations of the Issuer in respect of any such Instruments shall be discharged. The Issuer is required to (a) either promptly inform or (b) procure that the Listing Agent and/or the Paying Agent, as the case may be, promptly informs (on its behalf) the relevant stock exchange or other relevant authority of any cancellation of listed Instruments.

#### **7.9 Determination and Publication of Redemption Amounts**

The Calculation Agent shall, as soon as practicable on each date the Calculation Agent may be required to calculate any amount, obtain any quotation or make any determination or calculation, calculate the relevant Redemption Amount, and cause the relevant Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Instrumentholders, any other Calculation Agent appointed in respect of the Instruments that is to make a further calculation upon receipt of such information and, if the Instruments are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than the fourth Business Day after such determination. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

#### **7.10 Determination or Calculation by Trustee**

If the Calculation Agent does not at any time for any reason determine or calculate the relevant Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition 7.10, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

## **8 Series Assets, Collateral and Security**

### **8.1 Series Assets**

The Securitisation Act 2004 provides that the Series Assets (and the proceeds thereof) are available solely to meet the claims of the Series Parties.

### **8.2 Collateral and Hedging Collateral**

The Issuer will procure that any Collateral constituting “liquid assets and securities” for the purposes of Article 22 of the Securitisation Act 2004 is delivered to the Custodian and subject thereto, such Collateral will be held by the Custodian on behalf of the Issuer subject to the security created subject to the conditions set out in the Securitisation Act 2004 and by or pursuant to the Series Instrument.

The sale, transfer, novation or assignment of the Collateral, or any rights and/or obligations in the Collateral will be completed on the Issue Date.

The Issuer will procure that any Hedging Collateral constituting “liquid assets and securities” for the purposes of Article 22 of the Securitisation Act 2004 is delivered to the Custodian and subject thereto, such Hedging Collateral will be held by the Custodian on behalf of the Issuer and subject to the security created subject to the conditions set out in the Securitisation Act 2004 and by and pursuant to the Series Instrument. The Hedging Collateral is subject to the rights of the Hedging Counterparty to request from time to time redelivery of the Hedging Collateral pursuant to the terms of the corresponding Hedging Agreement. Any distributions (including any cash, securities, or any other property) received in respect of the Hedging Collateral will be delivered to such Hedging Counterparty and will not be subject to any security created pursuant to the Series Instrument.

### **8.3 Security**

The Series Assets are subject to security created in favour of the Trustee on behalf of the Series Parties as follows.

The Issuer has created the following security in the Series Instrument:

- (a) (i) a first fixed charge and/or assignment by way of first fixed charge in favour of the Trustee of the Collateral and all of the Issuer’s rights in respect of and sums derived from the Collateral (including, without limitation, any proceeds of the sale thereof) and (ii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer’s rights in respect of the Collateral held by the Custodian against the Custodian.
- (b) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer’s rights, title and interest under each relevant Hedging Agreement and any sums of money, securities or other property received or receivable by the Issuer thereunder;
- (c) a first fixed charge in favour of the Trustee over (i) the Issuer’s right to all sums held by the Principal Agent and/or any Paying Agent and/or the Custodian to meet payments due in respect of the Instruments and under the Series Instrument and (ii) any sums of money, securities or other property received or receivable by the Issuer under any relevant Hedging Agreement;
- (d) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer’s rights, title and interest under the Agency Agreement and the Purchase Agreement and all sums derived therefrom in respect of the Instruments;
- (e) to the extent that at any time the Collateral has not been delivered to the Custodian (or, if so specified in the Purchase Agreement, any Sub-custodian) to be held on behalf of the Issuer as provided in the Purchase Agreement, an assignment by way of first fixed charge in favour of the Trustee of the Issuer’s rights, title and interest under the Purchase Agreement any sums received or receivable by the Issuer thereunder; and

- (f) (i) a first fixed charge and/or assignment by way of first fixed charge in favour of the Trustee over the Hedging Collateral (subject to the rights of the Hedging Counterparty to request from time to time redelivery of the Hedging Collateral pursuant to the terms of the corresponding Hedging Agreement) and all of the Issuer's rights in respect of any proceeds of the sale thereof and (ii) an assignment by way of first fixed charge in favour of the Trustee of all the Issuer's rights in respect of the Hedging Collateral held by the Custodian against the Custodian.

#### **8.4 General provisions relating to security**

The security constituted or created pursuant to the Series Instrument will be granted to the Trustee for itself and as trustee under the Series Instrument as continuing security (i) for the payment of all sums due to the Trustee or any receiver under the Series Instrument, (ii) for the payment of all sums due under the Instruments, (iii) for the performance of the Issuer's obligations under the Hedging Agreement, (iv) for the payment of all sums payable to the Custodian for reimbursement in respect of payments made to the Hedging Counterparty by the Custodian relating to sums receivable on or in respect of the Collateral pursuant to any provision of the Agency Agreement which requires the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Custodian for any payment made by the Custodian to the Hedging Counterparty relating to sums receivable on or in respect of the Collateral before actual payment to the Custodian of the amount receivable on or in respect of the Collateral and (v) for the payment of all sums payable to the Principal Agent, pursuant to any provision of the Agency Agreement which requires the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Principal Agent, for any amount paid out by the Principal Agent, to the holders of Instruments before receipt of the corresponding amount due from the Issuer.

#### **8.5 Enforceability**

The security constituted by or created pursuant to the Series Instrument shall become enforceable (i) in the circumstances specified in Condition 7.3 (*Mandatory cancellation*), Condition 7.5 (*Redemption at option of the Issuer for Regulatory Event*) or Condition 7.6 (*Cancellation for taxation and other reasons*), (ii) upon the occurrence of an Event of Default (as defined in Condition 12 (*Events of Default*)) and (iii) on the Hedging Agreement Termination Date if sums remain owing to a Hedging Counterparty under a Hedging Agreement.

#### **8.6 Holder of Collateral and Hedging Collateral**

The Collateral and the Hedging Collateral (in each case, to the extent constituting "liquid assets and securities" for the purposes of Article 22 of the Securitisation Act 2004, and subject to delivery thereof) will be held by the Custodian on behalf of the Issuer on and subject to the terms and conditions of the Agency Agreement and subject to the security referred to in Condition 8.3 (*Security*). The Issuer reserves the right at any time with the prior written consent of the Trustee to change the Custodian. Notice of such change shall be given to the Instrumentholders in accordance with Condition 17 (*Notices and Provision of Information*). Under the terms of the Agency Agreement, the Custodian may appoint one or more sub-custodians in relation to the Collateral, but such appointment shall not relieve the Custodian of any of its duties under the Agency Agreement.

#### **8.7 Floating Charge**

The obligations of the Issuer in relation to all series of instruments in relation to which the Issuer appoints the Trustee as the trustee pursuant to, in accordance with and on the terms of, the Series Instrument constituting such Series will also be secured pursuant to the Deed of Floating Charge dated 16 December 2004, as supplemented by the First Supplemental Deed of Floating Charge dated 30 May 2007 (the "**Deed of Floating Charge**"), by a floating charge over the whole of its undertaking and assets (other than its share capital and any fees generated in respect of the issue of Instruments and, for the avoidance of doubt, any moneys available to the Issuer after application of the Series Assets of any Series in accordance with the priorities set out in the applicable Series Instrument) to the extent that (i) such undertaking and assets are not effectively encumbered by any security created in favour of the Trustee by or pursuant to any Series Instrument entered into in relation to a Series or any security created by or pursuant to any other issue of securities by the Issuer and (ii) such undertaking and assets are not allocated to a compartment (within the meaning of the Securitisation Act 2004) which has been set up by the Issuer in connection with a Series or any other issue of securities by the Issuer. The Trustee is entitled to enforce the security constituted by the floating charge only if an application to the English courts for an administration order has been made but shall not be obliged to enforce the security created by the floating charge unless directed by an Extraordinary Resolution of the

holders of any secured series of instruments and indemnified or secured to its satisfaction. The obligations of the Issuer are, however, limited in recourse as provided in Condition 13 (*Enforcement*), and accordingly, even if the security created by the floating charge may become enforceable, the amounts due to the Instrumentholders and the Hedging Counterparty will not be increased as a result thereof and shall be limited to the net proceeds of realisation of the Series Assets and subject to the provisions of Condition 8 (*Series Assets, Collateral and Security*) as to application of such net proceeds and to the provisions of Condition 13 (*Enforcement*).

The Series Instrument provides that the Trustee shall not be bound or concerned to make any investigation into, or be responsible for, *inter alia*:

- (1) the creditworthiness of the Collateral, the Collateral Obligor or the Hedging Counterparty or other person which is a party to any other agreement or document constituting or evidencing any of the Collateral or the other Series Assets; or
- (2) the validity, sufficiency or enforceability of the obligations of any such person as is referred to in sub-paragraph (1) above or of the security constituted by or pursuant to the Series Instrument or any other agreement or document constituting the security for the Instruments; or
- (3) whether the cashflows relating to the Collateral and/or the Series Assets and the Instruments are matched.

In the event that a Replacement Trustee replaces Deutsche Trustee Company Limited as Trustee in accordance with the General Trust Terms as amended by the relevant Series Instrument, the floating charge granted in favour of Deutsche Trustee Company Limited pursuant to the Deed of Floating Charge as described above shall not be assigned to the Replacement Trustee nor to any subsequent replacement trustee. As a result, the obligations of the Issuer in relation to all series of instruments in relation to which the Replacement Trustee is the Trustee pursuant to, in accordance with and on the terms of, the Series Instrument constituting such Series will not be secured pursuant to the Deed of Floating Charge.

This is because at the time the Deed of Floating Charge was entered into, it was arguable that the floating charge granted to Deutsche Trustee Company Limited as Trustee by virtue of the Deed of Floating Charge gave Deutsche Trustee Company Limited as Trustee the ability to appoint an administrative receiver over the assets of the Issuer pursuant to the Deed of Floating Charge. Where an application is made (whether by court order or out of court process) to appoint administrators in respect of a company and there is in office an administrative receiver of the company, the application to appoint administrators will not be granted unless the person who appointed the administrative receiver has consented to the appointment of administrators. Even if such consent is not obtained, the application to appoint administrators could still be ordered by the court if the court thinks that the security by virtue of which the administrative receiver was appointed would be liable to be released or discharged under sections 238 to 240 (transactions at an undervalue and preferences), or would be liable to be avoided under section 245 (avoidance of certain floating charges), of the United Kingdom Insolvency Act 1986, as amended (the “**Insolvency Act**”), if such an order were made. Therefore, the ability of Deutsche Trustee Company Limited as Trustee under the Deed of Floating Charge, if an administration application were to be made in respect of the Issuer, to appoint an administrative receiver and, by the appointment of such a receiver prior to the grant of such application, would have entitled Deutsche Trustee Company Limited as Trustee to prevent the appointment of the administrator.

However, on 1 October 2009, what is now section 28(1) of the Insolvency Act came into force which makes it clear that an administrative receiver cannot be appointed to a company, unless that company is registered under the Companies Act 2006 in England and Wales or Scotland. As the Issuer is not so registered, it is not possible for any party to appoint an administrative receiver to the Issuer, whether under the Deed of Floating Charge or otherwise. As a result, there is no benefit to the Replacement Trustee becoming the beneficiary of the rights granted to Deutsche Trustee Company Limited as Trustee under the Deed of Floating Charge or pursuant to an equivalent instrument.

## **8.8 Application of Proceeds of Series Assets**

The Trustee shall collect all moneys in relation to the Series Instrument and apply those moneys under the provisions of the Series Instrument in connection with the realisation or enforcement of the Series Assets

pursuant to the Series Instrument in accordance with the following provisions of this Condition 8.8 (Conditions 8.8.1 to 8.8.4, inclusive, “**Hedging Counterparty Priority**”):

**8.8.1** first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Series Instrument (which for the purpose of this Condition 8.8 and the Series Instrument shall include any taxes required to be paid, the costs of realising any security and the Trustee’s remuneration);

**8.8.2** secondly, *pro rata* in payment of any amounts owing to:

(g) the Hedging Counterparty under the Hedging Agreement (which for the purpose of this Condition 8.8 and the Series Instrument shall include any amounts owing to the Custodian for reimbursement in respect of payments made to a Hedging Counterparty relating to sums receivable on or in respect of the Collateral); and

(h) the Principal Agent for reimbursement in respect of any payment made to holders of the Instruments or to a Clearing Agent on behalf of such holders;

**8.8.3** thirdly, *pro rata* in payment of any amounts owing to the holders of the Instruments; and

**8.8.4** fourthly, in payment of the balance (if any) to the Issuer.

*By subscribing to, or otherwise acquiring, the Instruments, each Instrumentholder expressly consents to the provisions of this Condition 8.8 and the limitation of his/its rights in accordance with article 64 of the Securitisation Act 2004 and is deemed to have accepted such provisions and the consequences thereof.*

## **8.9 Realisation of the Series Assets**

### **8.9.1 Realisation of the Series Assets**

In the event of the realisation of the Series Assets constituted by a Series Instrument the Trustee may, at its discretion, and shall:

(a) if requested in writing by the holders of at least one-fifth in Aggregate Nominal Amount of the Instruments then outstanding; or

(b) if directed by an Extraordinary Resolution (as defined in the Series Instrument) of the Instrumentholders; or

(c) if directed in writing by the Hedging Counterparty in respect of the relevant Series (but only if the Hedging Agreement(s) have each terminated in accordance with their respective terms prior to the respective Hedging Agreement Termination Dates or, on or after the latest Hedging Agreement Termination Date(s), if sums remain owing to the Hedging Counterparty under the Hedging Agreement(s)),

do one or more of the following:

(i) instruct the Selling Agent to endeavour to sell or otherwise realise the Collateral and Hedging Collateral (if any) in accordance with Condition 8.10.2 (*Selling Agent*) and the provisions of the Agency Agreement;

(ii) take other steps to realise all or some of the Collateral and Hedging Collateral (if any);

(iii) terminate and/or enforce and/or realise each Hedging Agreement or other agreement entered into by the Issuer, the rights of the Issuer in respect of which form part of the Series Assets; and

(iv) otherwise enforce the security constituted by or pursuant to the Series Instrument,

in each case without any liability as to the consequences of such action and without having regard to the effect of such action on individual Instrumentholders and provided that the Trustee shall not be required to take any action under this Condition 8.10 without first being indemnified and/or secured to its satisfaction or to do anything which is or may be contrary to any applicable law. Subject as provided in the following paragraph, any request or direction given by the person or persons ranking in priority immediately after the Trustee pursuant to the provisions of Condition 8.8 (*Application of Proceeds of Series Assets*) will have priority over any conflicting direction given under this Condition 8.10.1 and, in the absence of any such request or direction, the Trustee may at its discretion decline to act on any request or direction given by any other person.

### **8.9.2 Selling Agent**

If the Selling Agent is instructed by the Trustee in accordance with Condition 8.9.1 (*Realisation of the Series Assets*) to endeavour to sell or otherwise realise the Collateral and Hedging Collateral (if any), the Selling Agent shall, on behalf of and as the agent of the Trustee pursuant to, and in accordance with, the provisions of the Agency Agreement, use all reasonable endeavours to sell or otherwise realise the Collateral and Hedging Collateral (if any) as soon as reasonably practicable on or after the date on which it receives such instruction at its best execution price less any commissions or expenses charged by the Selling Agent and specified for this purpose in the Series Instrument.

If, however, the Selling Agent determines that there is no available market for any of the Collateral or the Hedging Collateral (if any), or if the Selling Agent otherwise determines that it is impossible to sell or otherwise realise any of the Collateral, the Hedging Collateral (if any) or any part of it, the Selling Agent will promptly notify the Issuer, the Trustee and the Hedging Counterparty of such lack of availability or impossibility and the Selling Agent shall not be required to effect the sale or other realisation of such Collateral, Hedging Collateral or any further part of it. Any such determination by the Selling Agent shall be in its sole discretion and shall be binding on the Issuer, the Trustee, the Hedging Counterparty and the Instrumentholders. In the event that the Selling Agent makes such determination, the Trustee may, at its discretion, and shall if so requested or directed in accordance with Condition 8.9.1 (but subject in each case to its first being indemnified and/or secured to its satisfaction in accordance with such Condition) realise all or part of any of the Collateral or Hedging Collateral (if any) by other means.

In order to obtain its best execution price for the above purposes, the Selling Agent shall be required to take reasonable care to ascertain the price which is the best available for the sale or other realisation of the Collateral and the Hedging Collateral (if any) at the time of the sale or other realisation for transactions of the kind and size concerned and, unless circumstances require the Selling Agent to do otherwise in the interests of the Instrumentholders, to deal at a price which is not less advantageous to the Instrumentholders.

*The Trustee shall have no responsibility or liability for the performance by the Selling Agent of its duties under this Condition 8.9.2 or for the price or time at which any of the Collateral may be sold or otherwise realised.*

*The Issuer expressly agrees with the provisions of this Condition 8.9 and authorises the Trustee to act in accordance with such provisions.*

### **8.10 Shortfall after application of proceeds**

If the Net Proceeds are not sufficient to make all payments due in respect of the Instruments and for the Issuer to meet its obligations, if any, in respect of the termination of the Hedging Agreement (or a part of any such Hedging Agreement) and/or any other obligations secured thereby, then the obligations of the Issuer in respect of the Instruments and the Hedging Agreement and/or any such other obligations will be limited to such Net Proceeds. The other assets of the Issuer will not be available for payment of any Shortfall arising therefrom. Any Shortfall shall be borne by the Instrumentholders, the Hedging Counterparty and any other persons entitled to the benefit of such security according to the priorities specified in the Conditions and applied in reverse order.

The Issuer will not be obliged to make any further payment in excess of the Net Proceeds and any right to receive any further sum in each case in respect of any Shortfall remaining after realisation of the Series Assets under Condition 8.9 (*Realisation of the Series Assets*) and application of the proceeds in accordance with the Series Instrument shall be extinguished and neither the Trustee nor the Hedging Counterparty nor any Instrumentholders nor any other Series Party (nor any person acting on behalf of any of them) may take any further action to recover such Shortfall. In particular, no such party will be able to petition for the winding-up, the liquidation or the bankruptcy of the Issuer or any similar insolvency related proceedings. Failure to make any payment in respect of any Shortfall shall in no circumstances constitute an Event of Default under Condition 12 (*Events of Default*). In addition, no Instrumentholders may start proceedings against the Issuer which are based on article 98 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended.

#### **8.11 Issuer's rights as holder of Collateral**

The Issuer may exercise any rights in its capacity as holder of the Collateral only (i) with the prior written consent of both the Trustee and the Hedging Counterparty (which consent may only be given by the Trustee or the Hedging Counterparty in its absolute discretion) or (ii) as directed by an Extraordinary Resolution of the Instrumentholder and with the prior written consent of the Hedging Counterparty (which consent may be given or withheld by the Hedging Counterparty in its absolute discretion) and, if such consent or direction is given, the Issuer will act only in accordance with such consent or direction. In particular, the Issuer will not attend or vote at any meeting of holders of the Collateral, or give any consent or notification or make any declaration in relation to the Collateral, unless (i) the Trustee and the Hedging Counterparty shall each give its prior written consent (which consent may be given or withheld by the Trustee or the Hedging Counterparty in its absolute discretion) or (ii) by direction of any Extraordinary Resolution of the Instrumentholder and with the prior written consent of the Hedging Counterparty (which consent may be given or withheld by the Hedging Counterparty in its absolute discretion).

### **9 Hedging Agreements**

#### **9.1 Hedging Agreements**

##### **9.1.1 The Hedging Agreements**

The Hedging Agreement is entered into by the execution of the Series Instrument by the Issuer and the Hedging Counterparty.

##### **9.1.2 Hedging Collateral**

In order to secure the performance of the Hedging Counterparty's obligations under the Hedging Agreement, as part of the corresponding Hedging Agreement, the Issuer and the Hedging Counterparty shall enter into the Credit Support Document on or after the Issue Date pursuant to which the Hedging Collateral may, from time to time, be delivered by such Hedging Counterparty to the Custodian in order to collateralise the Hedging Counterparty's exposure to the Issuer. Any Hedging Collateral delivered is subject to the right of such Hedging Counterparty to request redelivery of such Hedging Collateral in accordance with the corresponding Hedging Agreement. The amount of the Hedging Collateral may be adjusted from time to time pursuant to the terms of such Hedging Agreement.

The Hedging Counterparty will, in accordance with the Credit Support Document, calculate the collateral requirements of the Issuer and the Hedging Counterparty based on each party's exposure to the other party under the Hedging Agreement on a daily basis and to the extent that eligible credit support is due to be delivered by the Hedging Counterparty to the Issuer in accordance with the Credit Support Document, the Hedging Counterparty shall deliver eligible credit support to the Issuer.

##### **9.1.3 Termination**

The Hedging Agreement will terminate on the Hedging Agreement Termination Date, unless terminated earlier in accordance with its terms. The Hedging Agreement will terminate in full if all the Instruments are cancelled prior to the Maturity Date pursuant to any provision of Condition 7

(*Redemption and Purchase*) or upon the occurrence of an Event of Default, and the Hedging Agreement will terminate in part (on a *pro rata* basis in a proportion of its nominal amount equal to the proportion that the nominal amount of the Instruments being cancelled bears to the Aggregate Nominal Amount of all the Instruments immediately prior to such cancellation) if some of the Instruments are cancelled prior to the Maturity Date pursuant to any provision of Condition 7 (*Redemption and Purchase*). In the event of an early termination of the Hedging Agreement, either the Issuer or the Hedging Counterparty may be liable to make a termination payment to the other party in an amount determined in accordance with the provisions of the Hedging Agreement. The termination payment will be determined by the Hedging Counterparty on the basis of the Hedging Counterparty's reasonable determination in good faith of its total losses and costs in connection with the termination of the Hedging Agreement. In the event of an early termination of the Hedging Agreement as a result of the cancellation of the Instruments pursuant to Condition 7.3 (*Mandatory cancellation*), any obligation of the Issuer at any time to deliver the Collateral to the Hedging Counterparty shall for the purposes of the calculation of such termination payment be deemed to be replaced by an obligation of the Issuer to pay to the Hedging Counterparty a sum equal to the nominal amount of such Collateral.

#### **9.1.4 Taxation**

Neither the Issuer nor the Hedging Counterparty is obliged under the Hedging Agreement to gross up payments to be made by it to the other if withholding taxes are imposed on such payments, but the Hedging Agreement is terminable in such event. If the Issuer, on the occasion of the next payment due under the Hedging Agreement, would be required by law to withhold or account for tax such that it would be rendered unable to make payment of the full amount due or would be required to account for tax or would suffer tax on its income in respect of the amount paid to it, the Issuer shall so inform the Trustee in writing.

#### **9.1.5 Transfer by Hedging Counterparty**

Any transfer of the rights and obligations of the Hedging Counterparty or any guarantee of the obligations of the Hedging Counterparty (or of any transferee of the rights and obligations of Hedging Counterparty) in respect of the Hedging Agreement will be subject to:

- (a) the Trustee being satisfied that such rights and obligations have been effectively transferred to and/or guaranteed by, as the case may be, the transferee and/or guarantor selected by the Hedging Counterparty and that all the Issuer's right, title, benefit and interest in, to, under and in respect of the relevant Hedging Agreement following any such transfer and/or guarantee in respect of the obligations of such Hedging Counterparty (or, as the case may be, any transferee to whom the obligations of such Hedging Counterparty are transferred), are effectively secured in favour of the Trustee for the benefit of the Series Parties, in each case in form and substance reasonably satisfactory to the Trustee; and
- (b) the Hedging Counterparty having indemnified the Issuer and the Trustee against any stamp or other documentary charges and all expenses (if any) incurred by the Issuer and/or the Trustee in connection with such transfer.

*To the extent that the Hedging Counterparty fails to make payments due to the Issuer under the Hedging Agreement, the Issuer will be unable to meet its obligations in respect of the Instruments. In such event, the Hedging Agreement will be terminated and the Instruments will be cancelled in accordance with Condition 7.6 (Cancellation for taxation and other reasons). Upon realisation of the Series Assets, the net proceeds thereof may be less than the claims of the Hedging Counterparty, the Instrumentholders and the other persons entitled to the proceeds of realisation of the Series Assets. The Trustee shall not be bound or concerned to make any investigation into the creditworthiness of the Hedging Counterparty to which the rights and obligations of the Hedging Counterparty or any guarantee of the obligations of the Hedging Counterparty in respect of the Hedging Agreement for any Series have been transferred.*

## 10 Restrictions

The Issuer has covenanted in the Series Instrument that, inter alia, so long as any of the Instruments remain outstanding, it will not, without the consent of the Trustee (which may only be given if the Trustee is of the opinion that to do so will not be materially prejudicial to the interests of the Instrumentholders):

- 10.1** engage in any activity or do any thing whatsoever except:
- 10.1.1** issue Instruments (which as defined herein include further Instruments) which are subject to the Securitisation Act 2004 and the enforcement and limited recourse provisions contained in the Series Instrument (“**Permitted Investments**”) or otherwise incur indebtedness in respect of moneys borrowed or raised where such indebtedness is incurred on terms that it is subject to the Securitisation Act 2004 and/or relates to assets or other property which are not part of the Series Assets of any other Instruments and on terms which provide for the extinguishment of all claims in respect of such indebtedness after application of the proceeds of the assets on which such indebtedness is secured (“**Permitted Indebtedness**”);
  - 10.1.2** enter into any agency agreement, Series Instrument, hedging agreement, deed of floating charge or any deed or agreement of any other kind related to any Permitted Investment or Permitted Indebtedness, but provided always that any such deed or agreement is entered into on terms that the obligations of the Issuer thereunder relate to a Compartment of specified assets of the Issuer (other than its non-compartmented assets) which do not form part of the Series Assets and on terms which provide for extinguishment of all claims in respect of such obligations after application of the proceeds of the assets on which such indebtedness is secured;
  - 10.1.3** acquire, or enter into any agreement constituting, the Collateral in respect of any Permitted Investment or the assets securing any Permitted Indebtedness;
  - 10.1.4** perform its obligations under each Permitted Investment or Permitted Indebtedness, agency agreement, Series Instrument, hedging agreement, deed of floating charge or other deeds or agreements incidental to the issue and constitution of, or the granting of security for, any Permitted Investment or Permitted Indebtedness;
  - 10.1.5** enforce any of its rights under each agency agreement, Series Instrument, hedging agreement, the deed of floating charge or any other deed or agreement entered into in relation to any Permitted Investment or Permitted Indebtedness;
  - 10.1.6** perform any act incidental to or necessary in connection with any of the above; or
  - 10.1.7** as permitted by the Conditions;
- 10.2** have any employees;
- 10.3** subject to this Condition 10, dispose of any of its property or other assets or any part thereof or interest therein (subject as provided in the Conditions relating to any Permitted Investment or the terms and conditions of any Permitted Indebtedness);
- 10.4** issue or create any other series of instruments unless either (a) the trustee thereof is the same person as the Trustee for the Instruments or (b) the Trustee has received legal advice satisfactory to it from reputable legal advisers in England and the jurisdiction of incorporation of the Issuer to the effect that the appointment of a person other than the Trustee as trustee of such series of instruments will not adversely affect the ability, where applicable, of the Trustee to appoint an administrative receiver over the assets of the Issuer pursuant to the floating charge contained in the Series Instrument;;
- 10.5** purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- 10.6** consolidate or merge with any other person; or
- 10.7** incur any indebtedness for borrowed money other than in respect of the Instruments or any Permitted Investment or any Permitted Indebtedness.

## 11 Prescription

Claims against the Issuer for payment in respect of the Instruments shall be prescribed and become void unless made within 10 years or, where applicable, five years (in the case of interest) from the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which notice is duly given to the Instrumentholders in accordance with Condition 17 (*Notices and Provision of Information*) that, upon further presentation of the Instrument being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

## 12 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in Aggregate Nominal Amount of the Instruments then outstanding, or if so directed by an Extraordinary Resolution of such holders, shall (subject in each case to being indemnified and/or secured to its satisfaction), give notice to the Issuer that, in respect of each such Instrument, the Early Termination Amount (which, for the avoidance of doubt, shall include accrued interest (if any) thereon to the date of payment in respect of Instruments) is, and shall accordingly forthwith become, immediately due and payable, and the Series Assets will be subject to realisation in accordance with the Securitisation Act 2004 and the terms of the Series Instrument and the security constituted by or created pursuant to the Series Instrument shall become enforceable, as provided in the Series Instrument, in any of the following events (each, an “**Event of Default**”):

- 12.1 if default is made in the payment of any sum due in respect of the Instruments or any of them is made for a period exceeding the Grace Period; or
- 12.2 if the Issuer fails to perform or observe any of its other obligations under the Instruments, the Series Instrument and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- 12.3 if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution (including, without limitation, any bankruptcy (*faillite*), insolvency, voluntary, forced or judicial liquidation (*liquidation volontaire ou judiciaire ou forcée*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) of the Issuer or the Company (as appropriate) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution or formal notice is given of an intention to appoint an administrator (including, without limitation, any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), *juge délégué* or *juge commissaire*), provisional administrator (*administration provisoire*) or any application is made or petition is lodged or documents are filed with the court or administrator in relation to the Issuer or the Company (as appropriate).

The Issuer has undertaken in the Series Instrument that, on each anniversary of the date of the first entry into of a series instrument between the Issuer and the Trustee and also within 14 days upon request by the Trustee, it will send to the Trustee a certificate signed by a director of the Issuer (each, a “**Director**”) to the effect that, after making all reasonable enquiries by such Director, to the best of the knowledge, information and belief of such Director there did not exist, as at a date not more than five days prior to the date of the certificate, nor had there existed at any time prior thereto since the date of the series instrument or the date as of which the last such certificate was given if any, any Event of Default or Potential Event of Default or, if such an Event of Default or Potential Event of Default did then exist or had existed, specifying the same and to such other effect as the Trustee may require.

*The Series Instrument provides that the Trustee shall not be under any obligation to monitor whether or not an Event of Default or a Potential Event of Default has occurred or is continuing and until expressly notified to the contrary may assume that no such event has occurred and that the Issuer is complying with all its obligations under the Series Instrument or any other document.*

## 13 Enforcement

At any time the Trustee may, at its discretion and without further notice, take such action or institute such proceedings, other than insolvency related proceedings, against the Issuer as it may think fit to enforce the terms of the Series Instrument and the Instruments and, at any time after the Instruments or any of them become due and payable or after the security in respect of the relevant Series becomes enforceable, to the extent provided in the Series Instrument, to enforce the security constituted by the Series Instrument, but it shall not be obliged to take any such action or any such proceedings unless (a) it shall have been so requested or directed by any person entitled to make such request or give such direction pursuant to Condition 8.10.1 (*Realisation of the Series Assets*) and (b) it shall have been indemnified and/or secured to its satisfaction and provided that it shall not be obliged to take any action or bring any proceedings if it would be against any applicable law.

Only the Trustee (or, to the extent provided in Condition 8.10.2 (*Selling Agent*), the Selling Agent) may pursue the remedies available under the Series Instrument to enforce the rights of the Instrumentholders and/or the Hedging Counterparty and/or the Custodian in respect of the Series Assets and the security and none of any Instrumentholder, the Hedging Counterparty, the Custodian or the Principal Agent is entitled to proceed against the Issuer with respect to realisation of the Series Assets or the security unless the Trustee, having become bound to proceed in accordance with the terms of the Series Instrument, fails or neglects to do so for a reasonable period.

The Trustee, the Hedging Counterparty, the Instrumentholders, the Custodian and the Principal Agent shall have recourse only to the Series Assets and the Selling Agent or the Trustee having realised the same and distributed the net proceeds in accordance with Condition 8.4 (*General provisions relating to security*), the Trustee, the Hedging Counterparty, the Instrumentholders, the Custodian, the Principal Agent or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer or the Trustee to recover any further sum (save for lodging a claim in the liquidation of the Issuer initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer) and the right to receive any such sum shall be extinguished. In particular, none of the Trustee, the Hedging Counterparty, the Custodian, the Principal Agent, any Instrumentholder nor any other party to the Series Instrument shall be entitled to petition or take any other step for the winding-up, liquidation or bankruptcy of the Issuer or any other insolvency related proceedings, nor shall any of them have any claim in respect of any asset of the Issuer not forming part of the Series Assets. In addition, no Instrumentholders may start proceedings against the Issuer which are based on article 98 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended.

The Trustee shall not be obliged to take any action under the Series Instrument or any other document in respect of a Series unless it (a) has been directed by an Extraordinary Resolution of the Instrumentholders; or (b) has been so requested or directed by any person entitled to make such request or give such direction pursuant to Condition 8.10.1 (*Realisation of the Series Assets*) or this Condition 13; and (c) in each case, the Trustee shall have been indemnified and/or secured to its satisfaction, and provided further that it shall not be obliged to take any action if it would be against any applicable law.

## 14 Meetings of Instrumentholders; Modifications; Waiver; Substitution

### 14.1 Meetings of Instrumentholders

The Series Instrument contains provisions for convening meetings of Instrumentholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Instruments (including these Conditions or the provisions of the Series Instrument insofar as the same may apply to such Instruments). The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in Aggregate Nominal Amount of the Instruments for the time being outstanding or, at any adjourned such meeting, one or more persons being or representing Instrumentholders, whatever the Aggregate Nominal Amount of the Instruments so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the Instrumentholders, whether present or not, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity of the Instruments, or any date for any payment in respect thereof, (ii) to cancel any Instrument or reduce the nominal amount or Calculation Amount of any Instrument or reduce any amount payable on redemption or cancellation of, the Instruments, (iii) other than as determined by the Calculation Agent in accordance with these Conditions, to reduce the rate or rates of interest (if any) or to modify, except where such modification is in the opinion of the Trustee bound to result in an increase, the method of calculating the amount payable or to modify of the date of payment, or, where applicable the method of calculating the date of payment in respect of any principal, premium or interest (if any) in respect of the Instruments, (iv) to reduce the Minimum Interest Rate and/or Maximum Interest Rate, (v) to change any method of calculating

the Early Termination Amount or any other amount payable in respect thereof, (vi) to change the currency or currencies of payment or denomination of the Instruments, (vii) to take any steps which as specified in the Series Instrument may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Instrumentholders or the majority required to pass an Extraordinary Resolution, (ix) to modify the provisions of the Series Instrument concerning this exception or (x) to modify any other provisions specifically identified for this purpose in the Series Instrument, will only be binding if passed at a meeting of the Instrumentholders, the quorum at which shall be one or more persons holding or representing 75 per cent. or, at any adjourned meeting, not less than 25 per cent., in Aggregate Nominal Amount of the Instruments for the time being outstanding.

Instrumentholders will be entitled to examine 15 days before the annual general meeting at the registered office of the Issuer (i) the annual accounts and the list of directors as well as the list of the approved statutory auditors (*réviseurs d'entreprises agréés*), (ii) the list of sovereign debt, shares, bonds and other company securities making up the portfolio, (iii) the report of the Board and (iv) the report of the approved statutory auditors.

Instrumentholders may attend general meetings of the shareholders of the Company and shall be entitled to speak but not to vote.

*The provisions relating to meetings of bondholders contained in articles 86 to 97 of the Luxembourg Company Law will not apply in respect of the Instruments.*

## **14.2 Modification**

Without prejudice to the need to obtain the consent of each other party to the relevant agreement or deed, the Trustee may, without the consent of the Instrumentholders but only with the prior written consent of the Hedging Counterparty, agree to (i) any modification to the Series Instrument, the Hedging Agreement or any other agreement or document entered into in relation to the Instruments which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, (ii) any modification of any of the provisions of the Series Instrument, the Hedging Agreement or any other agreement or document entered into in relation to the Instruments which in the opinion of the Trustee is not materially prejudicial to the interests of the Instrumentholders and (iii) any modification of the provisions of the Series Instrument, the Hedging Agreement or any other agreement or document entered into in relation to the Instruments which is made to satisfy any requirement of any stock exchange on which the Instruments are or are proposed to be listed and which is not in the opinion of the Trustee materially prejudicial to the interests of the Instrumentholders. The Series Instrument provides that the Issuer shall not agree to any amendment or modification of the Series Instrument without first obtaining the consent in writing of the Hedging Counterparty, which consent shall not be unreasonably withheld or delayed.

If the Trustee shall so require, any such modification shall be notified by the Issuer to the Instrumentholders as soon as practicable thereafter in accordance with Condition 17 (*Notices and Provision of Information*).

## **14.3 Waiver**

The Trustee may, without the consent of the Instrumentholders but only with the prior written consent of the Hedging Counterparty and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, but only if and in so far as in its opinion the interests of the Instrumentholders shall not be materially prejudiced thereby, waive or authorise, on such terms and conditions as to it shall seem expedient, any breach or proposed breach by the Issuer of any of the covenants or provisions in the Series Instrument or these Instruments or determine that any Event of Default or Potential Event of Default shall not be treated as such provided always that the Trustee shall not exercise any powers conferred on it by this Condition 14.3 in contravention of any express direction given by an Extraordinary Resolution of the Instrumentholders but no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Instrumentholders and the Hedging Counterparty.

#### **14.4 Substitution**

The Series Instrument contains provisions permitting the Trustee to agree, subject to such amendment of the Series Instrument and such other conditions as the Trustee may require but without the consent of the Instrumentholders but subject to the prior written consent of the Hedging Counterparty, to the substitution of any other company (a “**Substitute Company**”) in place of the Issuer or of any previous substituted company, as principal obligor under the Series Instrument and all of the Instruments then outstanding provided that such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Instrumentholders and subject to the other Conditions in the Series Instrument being complied with. In the case of such a substitution the Trustee may agree, without the consent of the Instrumentholders but subject to the prior written consent of the Hedging Counterparty (and to the extent permitted under applicable laws and international conventions), to a change of the law governing the Instruments and/or the Series Instrument provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Instrumentholders.

The Series Instrument provides that, if a Director or other authorised officer of any Substitute Company certifies that the Substitute Company will be solvent immediately after the time at which the substitution is to be effected, the Trustee shall not have regard to the financial condition, profits or prospects of such Substitute Company or compare the same with those of the Issuer (or any previously substituted company).

*In the case of a substitution of the Issuer in accordance with this Condition 14.4, a notice will, for so long as the Instruments are listed on the Official List of the Luxembourg Stock Exchange and/or any other stock exchange (and for so long as the rules and regulations of the Luxembourg Stock Exchange or, as the case may be, such other stock exchange so require), be published on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)) or, as the case may be, such other stock exchange. In addition, in the case of a substitution of the Issuer in accordance with this Condition 14.4, for so long as any securities of the Issuer are listed on the Official List of the Luxembourg Stock Exchange, the Freiverkehr of the Frankfurt Stock Exchange and the Freiverkehr of the Stuttgart Stock Exchange, the Issuer will comply with such other requirements as may be reasonably necessary to maintain the listing on the Official List of the Luxembourg Stock Exchange, the Freiverkehr of the Frankfurt Stock Exchange and the Freiverkehr of the Stuttgart Stock Exchange*

*By subscribing to, or otherwise acquiring, the Instruments, the holders of Instruments expressly consent to the substitution of the Issuer and to the release of the Issuer from any and all obligations in respect of the Instruments and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences thereof.*

#### **14.5 Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the holders of the Instruments as a Series and shall not have regard to the consequences of such exercise for individual Instrumentholders whatever their number and, in particular but without limitation, shall not have regard to the consequence of any such exercise for individual Instrumentholders resulting from their being domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Instrumentholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual holders of such Instruments.

#### **15 Replacement of Instruments**

If an Instrument is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws at the specified office of the Principal Agent in London or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Instrumentholders in accordance with Condition 17 (*Notices and Provision of Information*), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Instruments must be surrendered before replacements will be issued.

## **16 Further Issues**

The Issuer may, from time to time without the consent of the Instrumentholders, create and issue further securities so as to be consolidated and form a single series with the existing Instruments subject to Condition 10 (*Restrictions*) and subject to the value of the Series Assets relating to the relevant Series being correspondingly increased. For the avoidance of doubt, the Trustee shall not be obliged to monitor or review the value of such Series Assets.

Any such securities shall be constituted in accordance with the Series Instrument.

## **17 Notices and Provision of Information**

In the case of Instruments represented by one or more Global Instruments, notices to the Instrumentholders will be valid if delivered to the Clearing Agent(s) for communication by them to the accountholders with interests in such Instruments, provided that so long as the Instruments are listed on any stock exchange or publicly offered in any jurisdiction, any notice to the Instrumentholders shall be published in accordance with the rules and regulations of each such stock exchange and each such jurisdiction. If and so long as the Instruments are listed on the Official List of the Luxembourg Stock Exchange and the rules of such exchange so require, any notice delivered to the Instrumentholders shall also be published in English in accordance with the rules and regulations of the Luxembourg Stock Exchange (which include publication on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu))).

Any such notice shall be deemed to have been given to the holders of the Instruments on the Business Day immediately following the day on which the said notice was given to the Clearing Agent(s) or, as long as the Instruments are listed on the Official List of the Luxembourg Stock Exchange, following the day on which the notice was published in accordance with the rules and regulations of the Luxembourg Stock Exchange.

## **18 Agents**

The Agents act solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, any Instrumentholder.

Subject as provided in Condition 8.8 (*Application of Proceeds of Series Assets*) relating to the Custodian, the Issuer reserves the right pursuant to the Agency Agreement at any time with the prior written approval of the Trustee to vary or terminate the appointment of any of the Agents and to appoint additional or other Paying Agents, provided that the Issuer will at all times maintain (i) a Principal Agent, (ii) a Calculation Agent, (iii) a Paying Agent having a specified office in a European city approved by the Trustee, (iv) a Custodian and (v) a Selling Agent. If, and to the extent that, any of the Instruments are listed on any stock exchange or publicly offered in any jurisdiction, a Paying Agent will be maintained in each country as may be required by the rules and regulations of each such stock exchange and each such jurisdiction. Notice of any such change or any change of any specified office of any Paying Agent will promptly be given to the Instrumentholders in accordance with Condition 17 (*Notices and Provision of Information*). All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of the Conditions whether by the Calculation Agent or the Trustee or its appointee shall, in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Agent, the Paying Agents, the Calculation Agent and all Instrumentholders and no liability to the Issuer, the Instrumentholders or any other person shall attach to (in the absence as aforesaid) the Calculation Agent or (in the absence of wilful default) the Trustee or its appointee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

## **19 Indemnification and Obligations of the Trustee; Replacement of the Trustee**

The Series Instrument contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any voting rights in respect of the Collateral or for the value, validity and sufficiency of the Series Assets and enforceability (which the Trustee has not investigated) of the security created over the Series Assets. The Trustee is not obliged to take any action under the Series Instrument unless directed or requested as provided in Conditions 8.10 (*Realisation of the Series Assets*), 12 (*Events of Default*) and 13 (*Enforcement*) and indemnified to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, the Collateral Obligor, the Hedging Counterparty, or any of their subsidiary, holding or associated companies without accounting to the Instrumentholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Collateral, from any obligation to insure or to procure the insuring of the Collateral (or any documents evidencing, constituting or representing the same or transferring any rights or obligations thereunder) and from any claim arising from the fact that the Collateral is held in an account with Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt or any other clearance system in accordance with that system's rules or otherwise held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by any other person of their obligations to the Issuer.

The Series Instrument provides that the Trustee will be under no obligation or duty to act on any directions of the Instrumentholders or the Hedging Counterparty (save in each case as expressly provided in the Series Instrument) and (save as aforesaid) in the event of any conflict between directions given by the Instrumentholders and the Hedging Counterparty (in any case where it is expressly provided in the Series Instrument that the Instrumentholders and the Hedging Counterparty(ies) are entitled to give directions to the Trustee) it shall be entitled to act in accordance only with the directions of the Instrumentholders (but without prejudice to the provisions concerning the enforcement of security under Conditions 8.10 (*Realisation of the Series Assets*) and 13 (*Enforcement*) and the Series Instrument and to the provisions concerning the application of moneys received by the Trustee upon such enforcement under Condition 8.4 (*General provisions relating to security*) and the Series Instrument) subject in each case to the Trustee being indemnified or secured to its satisfaction.

The Series Instrument provides that the Issuer may replace the Trustee subject to the prior approval by Extraordinary Resolution of the Instrumentholders and the consent of the Hedging Counterparty.

## **20 Governing Law and Jurisdiction**

### **20.1 Governing Law**

The Series Instrument and the Instruments (and any non-contractual obligations arising out of or in connection with the Series Instrument and the Instruments) are governed by, and shall be construed in accordance with, English law. For the avoidance of doubt, articles 86 to 97 of the Companies Act 1915, as amended, are excluded.

### **20.2 Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Series Instrument or the Instruments (including any disputes relating to any non-contractual obligations arising out of or in connection with the Series Instrument and/or the Instruments) and accordingly any legal action or proceedings arising out of or in conjunction with the Series Instrument or the Instruments may be brought in such courts. The Issuer has in the Series Instrument irrevocably submitted to the jurisdiction of such courts.

### **20.3 Agent for Service of Process**

The Issuer has irrevocably appointed the person specified in the Series Instrument as its Agent for Service of Process, at its registered office for the time being, as its agent to receive, for it and on its behalf, service of process in any proceedings in England.

## **21 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Instruments under the Contracts (Rights of Third Parties) Act 1999.

## ARTICLES OF THE COMPANY

The following is only an overview of certain provisions of the Articles and is subject to the express terms of the Articles which are binding on all Instrumentholders. Potential investors in the Instruments should also refer to the Articles, which are available for inspection as set out in “General Information” below. The Articles are incorporated by reference in full into this Base Prospectus.

The Articles contain provisions to the following effect:

(a) **Compartments and application of assets**

The Board may establish one or more Compartments which may be distinguished by the nature of acquired risks or assets, the distinctive terms of the issues made in their respect, the reference currency or other distinguishing characteristics. The terms and conditions of the Instruments issued in respect of, and the specific objects of, each Compartment shall be determined by the Board and shall be stated in the Conditions relating to that Compartment. Each Instrumentholder shall be fully aware of the Conditions applicable to these Instruments and the Articles. Each Compartment may issue relevant Instruments.

Subject to any particular rights or variation of the following provisions or limitations for the time being attached to any Instruments, as may be specified in the Articles or upon which such Instruments may be issued including, without limitation, the relevant Conditions, if a Compartment is liquidated, its assets shall be applied in the following order:

- (i) first, pro rata in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable in respect of such liquidation, including, if applicable, any such amounts incurred by or payable to the Trustee (if any) in respect of such Instruments, any appointee thereof, or any receiver made or pursuant to the Series Instrument (if any) executed in respect of such Instruments (including any taxes required to be paid, the costs of realising any security and the Trustee’s remuneration);
- (ii) secondly, pro rata in payment of any amounts owing to the Hedging Counterparty (which for this purpose shall include any amounts owing to the Custodian for reimbursement in respect of payments made to the Hedging Counterparty relating to sums receivable on or in respect of the Collateral);
- (iii) thirdly, pro rata in payment of any amounts owing to the holders of such Instruments (which for this purpose shall include any amount owing to the issuing and paying agent for reimbursement in respect of any payment made to beneficial holders of the Instruments or to a Clearing Agent on behalf of such holders); and
- (iv) fourthly, in payment of the balance (if any) to the Issuer which shall use such proceeds to pay, among other things, all other claims that have arisen in connection with the creation, operation or liquidation of the Compartment and which are not provided for in the previous paragraphs or in the waterfall included in the Conditions (and any creditors of such claims, the “**Compartment-Specific Claims Creditors**”).

No Instruments shall be issued on terms that entitle the holders of any series of instruments to participate in the assets of the Issuer other than the assets (if any) of the relevant Compartment. If the realised net assets of any Compartment are insufficient to pay any amounts otherwise payable on the relevant Series in full in accordance with the Conditions and these Articles, the relevant holders shall have no claim against the Issuer for or in respect of any shortfall and shall have no claim against any other Compartment or any other assets of the Issuer.

Each Compartment corresponds to a separate part of the Company’s assets and liabilities. The rights of holders of Instruments issued in respect of a Compartment and the rights of creditors (including, without limitation, the Compartment-Specific Claims Creditors) are limited to the assets of that Compartment, where these rights relate to that Compartment or have arisen at the occasion of the constitution, the operation or the liquidation of that Compartment. The assets of a Compartment are, subject to the Pro Rata Rights of the Non Compartment-Specific Claims Creditors (both as defined below) set forth below, exclusively available to satisfy the rights of holders of Instruments issued in relation to that Compartment and the rights of creditors

(including, without limitation, the Compartment-Specific Claims Creditors) whose claims have arisen at the occasion of the constitution, the operation or the liquidation of that Compartment and such holders of Instruments and such creditors acknowledge and accept that once all the assets allocated to that Compartment under which they have invested or in respect of which their claims have arisen, have been realised, they are not entitled to take any further steps against the Issuer or the Company to recover any further sums due and the right to receive any such sum shall be extinguished.

In the relationship between the holders of Instruments, each Compartment is deemed to be a separate entity.

The rights of creditors (the “**Non Compartment-Specific Claims Creditors**”) whose claims have not arisen in connection with the creation, operation or liquidation of a Compartment and which have not waived their recourse to the assets of any Compartment, shall be allocated by the Company on a half year basis in arrears to all the Compartments (on an equal basis and pro rata temporis for Compartments created within such half year) where the relevant Conditions or the Articles expressly authorise Non Compartment-Specific Claims Creditors to have recourse against the rights and assets allocated to such Compartments. Such rights of a Non Compartment-Specific Claims Creditor against a Compartment are hereinafter referred to as the “**Pro Rata Rights**”. Each Non Compartment-Specific Claims Creditor acknowledges and accepts that once all the assets allocated to a Compartment in respect of which it has Pro Rata Rights have been realised, it is not entitled to take any further steps against the Issuer or the Company to recover such Pro Rata Rights and the right to receive any sum in respect of the Pro Rata Rights shall be extinguished.

The Compartment-Specific Claims Creditors and the Non Compartment-Specific Claims Creditors expressly accept, and shall be deemed to have accepted by entering into contractual obligations with the Issuer or the Company (as applicable), that priority of payment and waterfall provisions are included in the Articles and will be included in the Conditions and they expressly accept, and shall be deemed to have accepted the consequences of such priority of payments and waterfall provisions.

The Board shall establish and maintain separate accounting records for each of the Compartments of the Company for the purposes of ascertaining the rights of holders of Instruments issued in respect of each Compartment for the purposes of these Articles and the Conditions, such accounting records to be conclusive evidence of such rights in the absence of manifest error.

Where any asset is derived from another asset (whether cash or otherwise) such derivative asset shall be applied in the books of the Issuer to the same Compartment as the asset from which it was derived and on each revaluation of an asset the increase or diminution in the value of such asset shall be applied to the relevant Compartment.

In the case of any asset of the Company (not being attributable to the ordinary shares) which the Board, or any person acting on behalf of the Board, does not consider is attributable to a particular Compartment, the Board, or any person acting on behalf of the Board, shall have the discretion to determine the basis upon which any such asset shall be allocated or apportioned between Compartments, if at all, and the Board shall have power at any time and from time to time to vary such basis.

Unless otherwise determined in the Conditions of a Compartment, the Board (or its delegate) may at any time liquidate single Compartments, unless such liquidation occurs in the context of a general liquidation of the Company.

Consolidated accounts of the Company, including all Compartments, shall be expressed in the reference currency of the corporate capital of the Company. The reference currencies of the Compartments may be in different denominations.

The rights of the ordinary shareholders or the sole ordinary shareholder of the Company are limited to the assets of the Company which are not allocated to a Compartment.

(b) **Meetings of the Board**

The Board can deliberate and/or act validly only if at least the majority of the Company’s directors is present or represented at a meeting of the Board and if at least 50 per cent. of the directors who are present at such meeting are resident in Luxembourg for tax purposes. Decisions shall be taken by a majority of the votes of

the directors present or represented at such meeting. In the event that at any meeting the number of votes for and against a resolution are equal, the chairman of the board shall have a casting vote.

(c) **Directors**

The Company shall be managed by a Board composed of at least three directors who need not be ordinary shareholders. They shall be elected for a term not exceeding six years and shall be eligible for re-election.

A majority of the directors are not resident in the UK for tax purposes.

Each director shall be appointed by the ordinary shareholders at the general meeting of the ordinary shareholders. The ordinary shareholders shall also determine the number of directors, their remuneration and the term of their office. The Articles do not provide for the directors to retire by rotation or by virtue of their attaining a certain age.

When a legal person is appointed as a member of the Board (the “**Legal Entity**”), the Legal Entity must designate a permanent representative (*représentant permanent*) who will represent the Legal Entity as member of the Board in accordance with article 51bis of the Companies Act 1915.

(d) **Delegation of Powers**

The Board may appoint one or more persons, who may be, but need not be, directors, who shall have full authority to act on behalf of the Issuer or the Company (as appropriate) in all matters concerned with the daily management and affairs of the Issuer or the Company (as appropriate). The Board is also authorised to appoint one or more persons, who may be, but need not be, directors without the prior authorisation of the general meeting of the ordinary shareholders, for the purposes of performing specific functions at every level within the Issuer or the Company (as appropriate).

The Board is further authorised to appoint proxies for specific transactions.

(e) **Directors’ Interests**

*No contract or other transaction between the Issuer or the Company (as appropriate) and any other company or firm shall be affected or invalidated by the fact that any one or more of the directors or officers of the Company is interested in, or is a director, associate, officer or employee of, such other company or firm.*

Any director or officer of the Company who serves as director, officer or employee of any company or firm with which the Company shall contract or otherwise engage in business shall not, solely by reason of such affiliation with such other issuer or firm, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

In the event that any director of the Company may have any personal and opposite interest in any transaction of the Company, such director shall make known to the Board such personal and opposite interest and shall not consider or vote upon any such transaction, and such transaction, and such director’s interest therein, shall be reported to the next following general meeting of the ordinary shareholders.

The paragraph above does not apply to resolutions of the Board concerning transactions made in the ordinary course of business of the Issuer or the Company (as appropriate) which are entered into on arm’s length terms.

(f) **Winding-up**

The Company may be dissolved, at any time, by a resolution of the general meeting of ordinary shareholders adopted in the manner required for amendment of the Articles. In the event of a dissolution of the Company, the liquidation shall be carried out by one or more liquidators (who may be physical persons or legal entities) named by the general meeting of ordinary shareholders deciding such liquidation. Such general meeting of ordinary shareholders shall also determine the powers and the remuneration of the liquidator(s).

The liquidation of a Compartment will not affect the status of any other Compartment nor of the Company in general.

Sums and assets payable to investors (be they holders of Instruments, other securities issued by the Issuer or Company or ordinary shareholders) who failed to present themselves at the time of the closure of the liquidation shall be paid to the public trust office (*Caisse de consignation*) to be held for the benefit of the persons entitled thereto.

## DESCRIPTION OF THE ISSUER

### General

Palladium Securities 1 S.A. (the “**Company**”) is a special purpose vehicle incorporated as a *société anonyme* (public limited liability company) under the laws of the Grand Duchy of Luxembourg for the purpose of issuing asset backed securities on 8 September 2004 and its activities as a regulated securitisation undertaking are subject to the Securitisation Act 2004. A copy of the incorporation deed containing the Articles was published in the *Mémorial C, Recueil des sociétés et associations* on 22 November 2004 and the Company is registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B.103.036. The Articles were amended on 23 April 2009. A copy of the amended and restated Articles was published in the *Mémorial C, Recueil des sociétés et associations* number 1012 on 15 May 2009.

The registered office of the Company is at 2, boulevard Konrad Adenauer, L-1115 Luxembourg and its telephone number is +352 4 21 22 - 1.

In accordance with the Securitisation Act 2004, the Company entrusts the custody of its liquid assets and securities to Deutsche Bank Luxembourg S.A., a credit institution established in Luxembourg.

### Share Capital and Shareholders

The authorised share capital and the issued share capital of the Company is €227,272.50 divided into 181,818 Ordinary Shares (as defined in the Articles) of €1.25 each.

The Company has issued 181,818 Ordinary Shares, all of which are fully paid and are held by the following persons:

<b>Ordinary Shareholders</b>	<b>No. of Ordinary Shares owned</b>
The Freesia Charitable Trust Ansons House, Havilland Street, St Peter Port, Guernsey, Channel Islands GY1 3GF	181,816
Ansons Fund Managers Limited Ansons House, Havilland Street, St Peter Port, Guernsey, Channel Islands GY1 3GF	2

Each of the issued Ordinary Shares is held on trust by the holders thereof (each holder a “**Share Trustee**” and, together, the “**Share Trustees**”) under the terms of a declaration of trust dated 3 September 2004, under which the relevant Share Trustee holds its Ordinary Shares on trust for charity. The Share Trustees have no beneficial interest in and derive no benefit (other than any expenses for acting as Share Trustee) from their holding of the issued shares. The Share Trustees will apply any income derived by them from the Company solely for charitable purposes.

### Business

So long as any of the Instruments remain outstanding, the Company acting in respect of Compartment 143-2014-18 (the “**Issuer**”) will be subject to the restrictions set out in Condition 10 for Instruments, the Series Instrument and the Articles.

The preliminary expenses of the Company acting in its capacity as Issuer for establishing the Programme are payable by the Arranger.

The corporate objects of the Company set out in the Articles are to enter into, perform and serve as a vehicle for any securitisation transactions as permitted under the Securitisation Act 2004.

The Company may acquire or assume, directly or through another entity or vehicle, the risks relating to the holding or ownership of claims, structured deposits, receivables and/or other goods, structured products relating to commodities or assets (including securities of any kind), either movable or immovable, tangible or intangible, and/or risks relating to liabilities or commitments of third parties or which are inherent to all or part of the activities undertaken by third

parties, by issuing securities (valeurs mobilières) of any kind whose value or return is linked to these risks. The Company may assume or acquire these risks by acquiring, by any means, claims, deposits, receivables and/or other goods, structured products relating to commodities or assets, by guaranteeing the liabilities or commitments of third parties or by binding itself in any other way. The method that will be used to determine the value of the securitised assets will be set out in the relevant issue documentation proposed by the Issuer.

The Company may, within the limits of the Securitisation Act 2004, proceed, so far as they relate to securitisation transactions, to (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings and exchangeable or convertible securities) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto, and (iii) the ownership, administration, development and management of a portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above) in accordance with the provisions of the relevant issue documentation.

The Company may, within the limits of the Securitisation Act 2004 and for as long as it is necessary to facilitate the performance of its corporate objects, borrow in any form and enter into any type of loan agreement. It may issue notes, bonds (including exchangeable or convertible securities and securities linked to an index or a basket of indices or shares), debentures, certificates, shares, beneficiary shares, warrants and any kind of debt or equity securities, including under one or more issue programmes. The Company may lend funds including the proceeds of any borrowings and/or issues of securities, within the limits of the Securitisation Act 2004 and provided such lending or such borrowing relates to securitisation transactions, to its subsidiaries or affiliated companies or to any other company.

The Company may, within the limits of the Securitisation Act 2004, give guarantees and grant security over its assets in order to secure the obligations it has assumed for the securitisation of those assets or for the benefit of investors (including their Trustee or representative, if any) and/or any issuing entity participating in a securitisation transaction of the Company. The Company may not pledge, transfer, encumber or otherwise create security over some or all of its assets or transfer its assets for guarantee purposes, unless permitted by the Securitisation Act 2004.

The Company may enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions for as long as such agreements and transactions are necessary to facilitate the performance of the Company's corporate objects. The Company may generally employ any techniques and instruments relating to investments for the purpose of their efficient management, including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks.

The Board is entitled to create one or more Compartments (representing the assets of the Company relating to an issue by the Company of securities), in each case corresponding to a separate part of the Company's estate.

The description above is to be understood in its broadest sense and it is without limitation. The corporate objects of the Company shall include any transaction or agreement which is entered into by the Company, provided it is not inconsistent with the objects listed above.

In general, the Company may take any controlling and supervisory measures and carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its corporate objects to the largest extent permitted under the Securitisation Act 2004.

The Company has, and will have, no assets other than the sum of €249,999.75 representing the issued and paid-up share capital and statutory capital reserves, such expenses (as agreed) per issue payable to it in connection with the issue of Instruments or the purchase, sale or incurring of other obligations and any Series Assets. Save in respect of the expenses generated in connection with each issue of Instruments, any related profits and the proceeds of any deposits and investments made from such expenses or from amounts representing the Company's issued and paid-up share capital and share premium, the Company will not accumulate any surpluses.

The Instruments are obligations of the Company acting in its capacity as Issuer alone and not of, or guaranteed in any way by, the Share Trustees or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, the Arranger, the Hedging Counterparty or any Agent.

## Administration, Management and Supervisory Bodies

The Directors of the Company are as follows:

<b>Director</b>	<b>Principal outside activities</b>
Mr. Graeme Jenkins	Employee of Deutsche Bank Luxembourg S.A.
Mr. Fabien Rossignol	Managing Director of Lealex Consult S.a.r.l. (Luxembourg)
Mr. Stéphane Weyders	Managing Director of Platinum Advisory Services Luxembourg S.á.r.l.

Stéphane Weyders has been appointed by the directors of the Company as chairman of the board of directors of the Issuer.

The business address of Graeme Jenkins is 2, boulevard Konrad Adenauer, L-1115 Luxembourg, the business address of Fabien Rossignol is 22, Rue Goethe, L-1637 Luxembourg and the business address of Stéphane Weyders is 32A, Rue Léandre Lacroix, L-1913 Luxembourg. The principal outside activities of Graeme Jenkins as an employee of Deutsche Bank may be significant with respect to the Company to the extent that Deutsche Bank Luxembourg S.A. is the Custodian and Domiciliation Agent (as defined below) of, and may be an affiliate of any other party participating in, the issuance of a series of instruments. To the extent that a conflict between Deutsche Bank Luxembourg S.A. and the Company exists, there may be a conflict of interest between the private interests of Graeme Jenkins as a Director of the Company and those of the Issuer.

Deutsche Bank Luxembourg S.A. acts as the domiciliation agent of the Company (the “**Domiciliation Agent**”). The office of the Domiciliation Agent will serve as the registered office of the Company which is located at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg. Pursuant to the terms of the Domiciliation Agreement dated 9 September 2004 and entered into between the Domiciliation Agent and the Company, the Domiciliation Agent will perform in Luxembourg certain administrative, accounting and related services. In consideration of the foregoing, the Domiciliation Agent will receive various expenses payable by the Company at rates agreed upon from time to time. The appointment of the Domiciliation Agent may be terminated by either the Company or the Domiciliation Agent upon not less than two months’ prior written notice. The Domiciliation Agent is an affiliate of the Arranger and the Purchaser and may be an affiliate of any other party participating in the issuance of a series of instruments. To the extent that a conflict between such party and the Company exists, there may be a conflict of interest between the private interests of the Domiciliation Agent and those of the Company.

No mandatory corporate governance regime to which the Company would be subject exists in Luxembourg as at the date of this Prospectus.

## Financial Statements

The financial year of the Company begins on 1 February of each year and ends on 31 January of the following year save that the first financial year started on the date of incorporation of the Company and ended on 31 January 2006. The Company filed with the Luxembourg trade and companies register on 22 July 2014 its last audited financial statements in respect of the period ending on 31 January 2014.

In accordance with Articles 72, 74 and 75 of the Companies Act 1915 the Company is obliged to publish its annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of its shareholders. Subject as provided below, the ordinary general meeting of shareholders takes place annually on the fourth Friday of April or the next following Business Day (as defined in the Articles) at 2pm at the registered office of the Issuer or at such other place as may be specified in the convening notice. The last ordinary general meeting of shareholders took place on 23 May 2014.

Any future published annual audited financial statements prepared for the Company will be obtainable free of charge from the specified office of the Paying Agents in London and the Grand Duchy of Luxembourg, as described in “General Information”.

## **Dividends**

The Company has not paid any dividends since its incorporation on 8 September 2004.

## **Approved Statutory Auditors**

The approved statutory auditors (*réviseurs d'entreprises agréés*) of the Company, which have been appointed until the annual general meeting of shareholders to be held in 2015 by a resolution of the Board dated 23 May 2014, are KPMG Luxembourg S.à r.l. whose address is 9, Allée Scheffer, L-2520 Luxembourg, Luxembourg and who belong to the Luxembourg institute of auditors (*Instituts des réviseurs d'entreprises*).

KPMG Luxembourg S.à r.l. are entrusted with the auditing of the accounts of the Company. According to the Securitisation Act 2004, they shall inform the Board and also the CSSF of any irregularities and inaccuracies which they detect during the accomplishment of their duties.

## **CSSF supervision**

The Company is supervised by the CSSF which ascertains that it complies with the law and its obligations. This supervision will continue until such time as the Company is liquidated.

According to the Securitisation Act 2004, the CSSF may request from the Company a periodical statement of its assets and liabilities and its operating results. The CSSF may furthermore require communication of any information or carry out on-site investigations and inspect all the documents of the Company and of the Domiciliation Agent which relate to the organisation, administration, management, or operation of the Company or to the valuation of and return on the assets, in order to verify compliance with the provisions of the Securitisation Act 2004 and the provisions set out in the Articles, and in agreements relating to the issuance of securities (including, for instance, the Instruments), and the accuracy of the information it has been provided with.

If the CSSF finds that the Company is not complying with the provisions of the Securitisation Act 2004, the Articles or the agreements relating to the issuance of securities, or that the rights attached to the securities issued by the Company may be impaired, it may summon the Company to remedy the situation within a period it determines. If such summons is not complied with, the CSSF may (i) render public its position regarding the findings it has made, (ii) prohibit the issuance of securities, (iii) request the listing of the securities issued by the Company to be suspended, (iv) request the presiding judge of the chamber of the Luxembourg district court dealing with commercial matters to appoint a provisional administrator for the Company, or (v) withdraw its authorisation.

## **ADDITIONAL INFORMATION IN RELATION TO THE PARTIES TO THE STRUCTURE**

### **Deutsche Bank Group**

Deutsche Bank Aktiengesellschaft (“**Deutsche Bank AG**”) originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank AG which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank AG is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. Deutsche Bank AG has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main (telephone: +49-69-910-00) and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank AG is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the “**Deutsche Bank Group**”).

The objects of Deutsche Bank AG, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. Deutsche Bank AG may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, Deutsche Bank AG is entitled to transact all business and to take all steps which appear likely to promote the objects of Deutsche Bank AG, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude enterprise agreements.

### **Deutsche Bank AG, acting through its London Branch**

Deutsche Bank AG, acting through its London branch (Deutsche Bank AG, London Branch) will act as Arranger, Hedging Counterparty, Calculation Agent, Purchaser, Selling Agent, Paying Agent and Principal Agent with respect to the Instruments. Deutsche Bank AG, London Branch may also be appointed by the Custodian as its sub-custodian with respect to the Instruments. On 12th January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14th January, 1993, Deutsche Bank AG registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales.

Deutsche Bank AG, London Branch is an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

### **Deutsche Bank Luxembourg S.A.**

Deutsche Bank Luxembourg S.A. will act as Custodian in respect of the Instruments to the extent of any Collateral and/or Hedging Collateral constituting “liquid assets and securities” for the purposes of Article 22 of the Securitisation Act 2004. Deutsche Bank Luxembourg S.A. was founded in 1970 as the first foreign subsidiary of Deutsche Bank AG, Frankfurt since the second world war. The Bank’s activities are based on three main pillars: Private Wealth Management, International Loans and Treasury & Global Markets. Deutsche Bank Luxembourg S.A. is a member of the Deutsche Bank Group. For further information on the Deutsche Bank Group please see the section above.

### **Deutsche Trustee Company Limited**

Deutsche Trustee Company Limited is the Trustee. The Trustee’s relationship with the Issuer is to act as trustee in relation to the Instruments under the Series Instrument.

## DESCRIPTION OF THE COLLATERAL

### 1 Description of the Collateral

On or about the Issue Date, the Issuer will purchase AUD 470,000,000 inflation linked Notes due 28 August 2020 issued by Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch (ISIN: AU3TI0000189) (the “**Rabobank Notes**”) in an aggregate principal amount equal to the Aggregate Nominal Amount of the Instruments as of the Issue Date rounded to the nearest whole denomination of such Rabobank Notes, determined using a AUD-euro exchange rate of 1.445 Australian dollars per euro, pursuant to the Hedging Agreement. The Collateral Obligor undertakes under the terms of the Collateral to pay to the Issuer (as holder of the Collateral) on the scheduled maturity date of the Collateral (28 August 2020) an amount equal to the nominal amount of such Collateral.

The following information in this section has been extracted from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Australia Branch Information Memorandum dated 5 March 2007 (the “**Information Memorandum**”) and the Series Supplement dated 27 February 2007 relating to the Collateral, and is subject to and qualified entirely by such documents. Further information on the Collateral Obligor can be found on its website: <http://www.rabobank.com.au>.

1.	<b>Collateral Obligor</b>	Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch
2.	<b>Country of incorporation of the Collateral Obligor</b>	The Netherlands
3.	<b>Nature of Business</b>	Banking and Financial Services
4.	<b>Market on which the Collateral Obligor has securities admitted to trading</b>	The Collateral Obligor has financial instruments listed on the regulated market of the Luxembourg Stock Exchange.
5.	<b>Legal Nature of the Rabobank Notes</b>	The Collateral constitutes direct, unconditional, unsecured debt obligations of the Issuer which rank equally among themselves. The Collateral ranks at least equally with the Collateral Obligor’s other unsecured, unsubordinated debt obligations (except for debt mandatorily preferred by law).
6.	<b>Regular payment on the Collateral and Currency</b>	Interest on the Collateral is an amount linked to AUD inflation per annum payable by the Collateral Obligor quarterly on 28 February, 28 May, 28 August and 28 November each year. The Collateral shall be repaid by the Collateral Obligor on the maturity date of the Collateral (28 August 2020) at its redemption amount.  The Collateral is denominated in Australian dollars (“ <b>AUD</b> ”)
7.	<b>Issue date of the Collateral</b>	The issue date of the Collateral was 28 February 2007.
8.	<b>Maturity or expiry date(s) of the Collateral</b>	The scheduled maturity date of the Collateral is 28 August 2020.
9.	<b>Amount of Collateral</b>	On the Issue Date, the Collateral transferred to the Issuer pursuant to the Hedging Agreement will comprise an aggregate principal amount of the Rabobank Notes equal to the Aggregate Nominal Amount of the Instruments rounded to the nearest whole denomination of such Collateral, determined using a AUD-EUR exchange rate of 1.445 AUD per euro, pursuant to the Hedging Agreement (such aggregate principal amount will be specified in the Series Instrument) and will form part of the Series Assets for

		the Instruments.
10.	<b>Overall issue size of the Rabobank Notes</b>	On issue the aggregate principal amount of the Rabobank Notes was AUD 470,000,000.
11.	<b>Date of transfer of the Collateral</b>	It is anticipated that the Collateral will be acquired by the Issuer on or around the Issue Date from the Hedging Counterparty under the Hedging Agreement.
12.	<b>Method of creation of the Collateral</b>	The Collateral was issued by the Collateral Obligor in the normal course of its business.
13.	<b>The loan to value ratio or collateralisation level</b>	On the Issue Date the ratio between the nominal amount of Collateral and the principal amount of the Instrument is 1/1, using a AUD-EUR exchange rate of 1.445 AUD per euro.
14.	<b>Material relationships between the Issuer and any obligor</b>	Not Applicable, there are no material relationships between the Issuer and the Collateral Obligor.
15.	<b>Originators of the Collateral</b>	Applicable –Deutsche Bank AG, London Branch, in its capacity as Hedging Counterparty, shall transfer the Collateral to the Issuer under the Hedging Agreement on or around the Issue Date.
16.	<b>Governing law of the Collateral</b>	The Collateral is governed by and construed in accordance with the laws of New South Wales.  The agency agreement in respect of the Collateral is governed by English law.
17.	<b>Nature of market on which the Collateral is traded</b>	The Collateral is not listed or admitted to trading on a regulated market.  The Collateral Obligor has securities admitted to trading on the regulated market of the Luxembourg Stock Exchange.

## 2 Principal terms and conditions of the Collateral

### Form of the Collateral

The Collateral was issued in registered form.

### Negative Pledge

Pursuant to the terms of the Collateral, so long as any of the notes issued under the Information Memorandum remain outstanding, the Collateral Obligor undertakes not to secure any of its other indebtedness, whether present or future, which is both (a) represented by bonds, notes or other securities which have an initial life exceeding two years and which are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market and (b) not the indebtedness as referred to under (a) of the Collateral Obligor which is denominated or payable (at the option of any party) in euro unless 50 per cent. or more thereof in aggregate principal amount is initially offered or sold outside The Netherlands.

### Redemption by Collateral Obligor for Tax reasons

The Collateral may be redeemed at the option of the Collateral Obligor in whole, but not in part, on any interest payment date of the Collateral or, at any time, on giving not less than 30 nor more than 45 days' notice to the registrar

appointed in relation to the Collateral (the “**Collateral Registrar**”) and the holders of the Collateral (which shall include the Issuer) which notice shall be irrevocable, at the redemption amount of the Collateral (together with interest accrued to (but excluding) the date fixed for redemption) or for the early redemption calculation amount, if:

(a) the Collateral Obligor has or will become obliged to pay additional amounts as provided or referred to in Taxation (see below) as a result of any change in, or amendment to, the laws or regulations of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the issue date of the Collateral, and

(b) such obligation cannot be avoided by the Collateral Obligor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Collateral Obligor would be obliged to pay such additional amounts were a payment in respect of the Collateral then due.

### **Collateral Events of Default**

If any of the following events ("**Collateral Events of Default**") occurs in relation to the Collateral, a person specified in the entry of the indebtedness of the Collateral Obligor in the register in respect of the Collateral may by written notice to the Collateral Obligor at its specified office declare the Collateral to be due and payable immediately or on such other date specified in the notice, such that the Redemption Amount of the Collateral (plus the accrued interest to the date of payment, if any) will be due and payable either immediately or on the date specified in the notice (as the case may be), unless such Collateral Event of Default is remedied prior to the receipt of such notice by the Collateral Obligor:

(a) default by the Collateral Obligor is made for more than 30 days in the payment of interest or principal in respect of the Collateral; or

(b) the Collateral Obligor fails to perform or observe any of its other obligations under the Collateral and such failure continues for the period of 60 days following the service on the Collateral Obligor of notice requiring remedy of such failure;

(c) the Collateral Obligor fails in the due repayment of borrowed money which exceeds Euro 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Collateral Obligor, or the Collateral Obligor fails to honour any guarantee or indemnity in excess of Euro 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Collateral Obligor. In each case, however, no Collateral Event of Default will occur if the Collateral Obligor contests its liability in good faith or has been ordered not to make such payment by a competent court; or

(d) the Collateral Obligor becomes bankrupt, or an order is made or an effective resolution is passed for the winding up or liquidation of the Collateral Obligor (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of holders of the Collateral (which shall include the Issuer)) or an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Financial Supervision Act, as modified or re enacted from time to time, of the Netherlands in respect of the Collateral Obligor or the Collateral Obligor compromises with its creditors generally or such measures are officially decreed; or

(e) the Collateral Obligor ceases to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the holders of the Collateral (which shall include the Issuer)).

### **Payment constitutes release**

A payment made by or on behalf of the Collateral Obligor to the in respect of an amount due under the Collateral constitutes for all purposes an absolute and unconditional release and discharge of the Collateral Obligor, to the extent of such payment, of all obligations and indebtedness in respect of the Collateral in relation to which such payment is made.

## **Taxation**

Payments in respect of the Collateral are subject in all cases to applicable provisions of fiscal and other laws, regulations and directives. Payments in respect of the Collateral shall be made without set-off or counterclaim and free and clear of, and without deduction of or on account of any taxes, levies, duties, charges, deductions or withholdings of any nature (together, "**Taxes**") now or hereafter imposed, levied, collected, withheld or assessed by or in the Commonwealth of Australia or any political subdivision or taxing authority of the relevant jurisdiction, unless such withholding or deduction is required by law. In that event, the Collateral Obligor will pay such additional amounts as may be necessary in order that the net amount received by the holders of the Collateral after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the Collateral in the absence of such withholding or deduction, except that no additional amounts are payable in relation to any payments in respect of any Collateral:

- (a) on account of Taxes on the overall net income of a holder of the Collateral; or
- (b) to, or to a third party on behalf of, a holder of the Collateral who is liable to such Taxes by reason of the holder of the Collateral having some connection with the Commonwealth of Australia other than the mere holding of the Collateral; or
- (c) to, or to a third party on behalf of, a holder of the Collateral who is liable to such Taxes by reason of the holder of the Collateral being an associate (within the meaning of section 128F(9) of the Income Tax Assessment Act 1936 (Cth)) of the Collateral Obligor; or
- (d) to, or to a third party on behalf of, a holder of the Collateral, if the registrar has not received written notice of that person's tax file number or Australian business number or evidence of any exemption that person may have from the need to advise its tax file number or Australian business number, in each case prior to the record time for the payment; or
- (e) to, or to a third party on behalf of, a holder of the Collateral who could lawfully avoid (but has not so avoided) such deduction or withholding by compliance or procuring that any third party complies with any statutory requirement or by making or procuring any third party to make a declaration of non-residence or other similar claim for exemption to any relevant taxing authority; or
- (f) on account of Taxes arising from the transfer of the Collateral to a third party.

## **Meetings**

Meetings of holders of the Collateral (which shall include the Issuer) may be convened in accordance with the meeting rules to consider matters affecting the interests of holders of the Collateral, including, without limitation, the variation of the terms and conditions of the Collateral and the granting of any approval, consent or waiver.

## **Variations**

The deed poll and terms and conditions of the Collateral may be varied by the Collateral Obligor, and the registry agreement may be varied by the Collateral Obligor and the Collateral Registrar, without the consent of any holder of the Collateral (which shall include the Issuer):

- (a) for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions in either of those documents; or
- (b) in the case of the terms and conditions of the Collateral, in any manner which the Collateral Obligor deems, or in the case of the registry agreement, in any manner which the Collateral Obligor and the Collateral Registrar deem, necessary or desirable, and which in either case does not adversely affect the interests of the holders of the Collateral.

The terms and conditions of the Collateral and any registry agreement may otherwise be varied by the Collateral Obligor with the approval of the holders of the Collateral pursuant to a resolution of holders of the Collateral passed in accordance with the meeting rules. A variation to the deed poll will not be effective until a supplemental deed is executed by the Collateral Obligor in relation to the variation. A variation will be effective with respect to all current and subsequent holders of the Collateral.

## Index-Linked Collateral

Interest payments and redemption amounts under the Collateral are linked to the Weighted Average of Eight-Capital Cities: All-Groups Index (the "CPI"). The CPI is maintained and published by the Australian Bureau of Statistics. More information on the CPI, including past performance, can be found at <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6401.0>.

### Interest rate of the Collateral

The interest rate of the Collateral is an amount, equal to the result of the following formula:

$$2.805\% / 400 \times Kt$$

where:

- (a) "Ko" means 100;
- (b) "Kt" means, in respect of any interest payment date or the maturity date of the Collateral, an amount, rounded to the nearest second decimal place, equal to the product of:
  - (i)  $Kt-i$ ; and
  - (ii) the sum of 1 and  $j$ ;
- (c) " $Kt-i$ " means:
  - (i) in respect of the first interest payment date, Ko; and
  - (ii) in respect of any interest payment date (other than the first interest payment date) or the maturity date of the Collateral, an amount equal to the value of Kt on the immediately preceding interest payment date;
- (d) "CPI $t$ " means:
  - (i) in respect of any interest payment date, an amount equal to the value of the most recently published quarterly CPI on the first Business Day of the interest period relating to such interest payment date; and
  - (ii) in respect of the maturity date of the Collateral, an amount equal to the value of the most recently published quarterly CPI on the first Business Day of the final interest period;
- (e) "CPI $t-i$ " means:
  - (i) in respect of the first interest payment date of the Collateral, 155.7; and
  - (ii) in respect of any interest payment date (other than the first interest payment date) or the maturity date of the Collateral, an amount equal to the value of CPI $t$  on the immediately preceding interest payment date; and
- (f) " $j$ " means, in respect of any interest payment date or the maturity date of the Collateral, the result of the fraction where the numerator is CPI $t$  for such interest payment date or maturity date of the Collateral respectively and the denominator is CPI $t-i$  for such interest payment date or maturity date of the Collateral respectively, less 1.

### Redemption Amount of the Collateral

The Redemption Amount in respect of each Rabobank Note comprising the Collateral shall be an amount in AUD equal to the greater of:

- (a) the result of the fraction where:
  - (i) the numerator is equal to the product of 100,000 and the value of Kt on the Maturity Date of the Collateral; and
  - (ii) the denominator is 100; and
- (b) 100,000,

each as calculated and/or determined, as necessary, by the calculation agent appointed in respect of the Collateral.

## TAXATION

### Country Specific Taxation

*Potential investors are advised to consult your own tax advisers as to the tax consequences of transactions involving the Instruments.*

### Luxembourg Taxation

*The following overview is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Instruments should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

#### Taxation of the Issuer

A fixed registration duty (*droit fixe spécifique d'enregistrement*) of EUR 75 is payable at the moment of the amendment of the articles of association of the Company. The transfer or sale of securities of the Issuer or the Company (as appropriate) will not be subject to Luxembourg registration or stamp duty.

The Company will be considered a fiscal resident of Luxembourg both for purposes of Luxembourg domestic tax law and for purposes of the tax treaties entered into by Luxembourg and should therefore be able to obtain a residence certificate from the Luxembourg tax authorities.

The Company will be liable for Luxembourg corporation taxes. The 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. for the fiscal year ending 31 December 2014. Liability for such corporation taxes extends to the Company's worldwide profits including capital gains, subject to the provisions of any relevant double taxation treaty. The taxable income of the Company is computed by application of all rules of the Luxembourg income tax law of 4 December 1967, as amended (*loi concernant l'impôt sur le revenu*), as commented and currently applied by the Luxembourg tax authorities. Under certain conditions, dividends received by the Company from qualifying participations and capital gains realised by the Company on the sale of qualifying participations may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption. The Company may further deduct from its taxable profits interest payments made to Instrumentholders. For tax purposes, payments made by the Issuer or the Company (as appropriate) to Instrumentholders are always treated as interest.

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

#### Taxation of the holders of Instruments

##### Withholding tax

###### (i) Non-resident holders of Instruments

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Instruments, nor on accrued but unpaid interest in respect of the Instruments, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Instruments held by non-resident holders of Instruments.

Under the Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or

establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 35 per cent. (as of 1 July 2011). Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Instruments are currently subject to withholding tax of 35 per cent. (as of 1 July 2011).

**(ii) Resident holders of Instruments**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the “**Law**”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Instruments, nor on accrued but unpaid interest in respect of Instruments, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Instruments held by Luxembourg resident holders of Instruments.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg or to a foreign residual entity established in an EU Member State (other than Luxembourg) or one of the Territories and securing the interest payment for such individual will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Instruments coming within the scope of the Law would be subject to withholding tax of 10 per cent.

***Income Taxation***

A holder of Instruments 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 Instruments are attributable, is subject to Luxembourg income tax in respect of the interest paid or accrued on, or any other income derived from, the Instruments. An individual holder of Instruments, 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 holder of Instruments, 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 Instruments are not subject to Luxembourg income tax, provided this sale or disposal took place six months after the acquisition of the Instruments. An individual holder of Instruments, 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 Instruments in his taxable income, except if (i) withholding tax has been levied on such payments in accordance with the Law, or (ii) the individual holder of the Instruments 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 Council Directive 2003/48/EC of 3 June 2003.

Gains realised by a corporate holder of Instruments or by an individual holder of Instruments, 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 Instruments are attributable, on the sale or disposal, in any form whatsoever, of Instruments are subject to Luxembourg income tax.

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

A Luxembourg holder of Instruments that is governed by the law of 11 May 2007 on family estate companies, as amended by the laws of 20 December 2002 or 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, will not be subject to any Luxembourg income tax and trade tax in respect of interest received or accrued on the Instruments, or on gains realised on the sale or disposal, in any form whatsoever, of Instruments.

## **Wealth tax**

A corporate holder of Instruments, 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 Instruments are attributable, is subject to Luxembourg wealth tax on such Instruments, except if the holder of Instruments is governed by the law of 11 May 2007 on family estate companies, as amended, by the laws of 20 December 2002 or 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended.

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

## **Other Taxes**

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

## **German Taxation**

*The following general overview does not consider all aspects of income taxation in the Federal Republic of Germany ("Germany") that may be relevant to a holder of the Instruments in the light of the holder's particular circumstances and income tax situation. This overview applies to holders of the Instruments, who are solely tax resident in Germany, and it is not intended to be, nor should it be construed to be, legal or tax advice. It is based on German tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.*

*Prospective holders are urged to consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Instruments, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Germany.*

## **Income Taxation**

### ***Interest income***

If the Instruments are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Instruments are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Instruments. If, however, no or not sufficient tax was withheld (e.g., in case there is no Domestic Disbursing Agent, as defined below), the investor will have to include the income received with respect to the Instruments in its annual income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate which is applicable on all taxable income including the investment income is lower than 25 per cent., the investor may opt to be taxed at individual progressive tax rates with respect to its investment income.

Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of 801 Euro per year (1,602 Euro for jointly assessed husband and wife). The saver's lump sum tax allowance is also considered for purposes of withholding tax (see subsequent paragraph – *Withholding tax*) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Disbursing Agent (as defined below). The deduction of related expenses for tax purposes is not permitted.

If the Instruments are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income from the Instruments is subject to personal income tax at individual progressive tax rates or corporate income tax

(each plus 5.5 per cent. solidarity surcharge thereon and church tax, if applicable) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. The interest income will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

If Luxembourg tax was withheld by the Issuer on interest paid to German investors according to the Luxembourg laws of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income, the German investor will generally be entitled to a credit of the tax withheld against its German income tax liability subject to certain requirements as set out under the foreign tax credit rules in German Income Tax Act.

### ***Withholding tax on interest***

If the Instruments are kept or administered in a domestic securities deposit account with a German credit or financial services institution (*Kredit- oder Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution), or with a German securities trading business (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (altogether a “**Domestic Disbursing Agent**”) which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent., is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

### ***Capital gains from sale or redemption***

Subject to the saver's lump sum tax-allowance for investment income described under the paragraph Interest income above, capital gains from the sale or redemption of the Instruments held as private assets are taxed at the 25 per cent. flat tax (plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax). The capital gain is determined as the difference between the proceeds from the sale or redemption of the Instruments and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into account. Otherwise, the deduction of related expenses for tax purposes is not permitted.

Where the Instruments are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted in Euro at the time of sale, and only the difference will then be computed in Euro.

Capital losses from the sales or redemption of the Instruments held as private assets should generally be tax-recognised irrespective of the holding period of the Instruments. However, in case where no (or only de minimis) payments are made to the investors on the maturity or redemption date of the Instruments (e.g., due to the limited recourse), any capital losses might not be recognised by the German tax authorities. Any tax-recognised capital losses may not be used to offset other income like employment or business income but may only be offset against investment income. Capital losses not utilised in one annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods.

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Instruments. With respect to the return filing, investors shall refer to the description under paragraph Interest income above.

If the Instruments are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany, capital gains from the Instruments are subject to personal income tax at individual progressive tax rates or corporate income tax (plus 5.5 per cent. solidarity surcharge thereon and church tax, if applicable) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor of the relevant municipality where the business is located. In case of an individual investor the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. The capital gains will have to be included in the investor's personal or corporate income tax return. Capital losses from the sale or redemption of the Securities should generally be tax-recognised and may generally be offset against other income. It cannot be ruled out that certain Instruments may be classified as derivative transaction (*Termingeschäft*) for tax purposes. In this case, any losses from the Instruments would be subject to a special ring-fencing provision and could only be offset against gains from other derivative transactions.

Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

### ***Withholding tax on capital gains***

If the Instruments are kept or administered by a Domestic Disbursing Agent from the time of their acquisition, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, is generally levied on the capital gains, resulting in a total withholding tax charge of 26.375 per cent. If the Instruments were sold or redeemed after being transferred to a securities deposit account with another Domestic Disbursing Agent, the 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depositary bank was able and allowed to provide evidence for the investor's actual acquisition costs to the current Domestic Disbursing Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies to the individual investor.

No withholding is generally required on capital gains from the disposal or redemption of the Instruments which is derived by German resident corporate investors and upon application by individual investors holding the Instruments as business assets, subject to certain requirements.

### **Inheritance and gift tax**

The transfer of Instruments to another person by way of gift or inheritance may be subject to German gift or inheritance tax, respectively, if inter alia

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association of persons (*Personenvereinigung*) or asset pool (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Instruments belong to business assets attributable to a permanent establishment or a permanent representative in Germany.

Prospective investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

### **Other taxes**

The purchase, sale or other disposal of Instruments does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of Instruments to other entrepreneurs which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

### **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Instruments (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under the Commission's 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 the Instruments 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.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 01 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective Instrumentholders are advised to seek their own professional advice in relation to the FTT

### **Foreign Account Tax Compliance Act**

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, and US Treasury regulations promulgated thereunder that took effect on 28 January 2013, as amended from time to time (together "FATCA") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("IRS") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether such investor is a U.S. person or should otherwise be treated as holding a United States Account of the Issuer (a "Recalcitrant Holder").

FATCA implementation is being phased in from 01 July 2014 for payments from sources within the United States and is currently proposed to apply to "foreign passthru payments" (a term not yet defined) made by an FFI to a non-participating FFI or Recalcitrant Holder no earlier than 01 January 2017. This withholding would potentially apply to payments in respect of (i) any Instruments issued or materially modified on or after the "grandfathering date", which is the later of (a) 01 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term "foreign passthru payment" are filed with the Federal Register; and (ii) any Instruments characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Instruments are issued before the grandfathering date, and additional Instruments of the same series are issued on or after that date, the additional Instruments may not be treated as grandfathered, which may have negative consequences for the existing Instruments, including a negative impact on market price.

The United States and a number of other jurisdictions announced their intention to enter into intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). In some cases such IGAs have been signed; in other cases, negotiations are still ongoing. Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, most FFIs in an IGA signatory country should be treated as a "Reporting FI" that would generally not be subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA or agreement with the IRS relating to FATCA) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes or, in certain limited circumstances, where the payments are made to a Recalcitrant Holder). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The US IRS announced in Notice 2013-43 its intention to provide a list of jurisdictions that will be treated as having in effect an IGA, even though that IGA may not have entered into force as of 01 July 2014.

The United States and Luxembourg entered into a Model 1 IGA on 28 March 2014. The Issuer will therefore be required to comply with FATCA under Luxembourg national legislation implementing such Model 1 IGA with the United States.

The Issuer is currently not expected to be required to make any FATCA Withholdings from the payments it makes. There can be no assurance, however, that the Issuer would not in the future be required to deduct FATCA Withholding from future payments. Accordingly, the Issuer and financial institutions through which payments on the Instruments are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such

Instruments is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If a FATCA Withholding were to be made from interest, principal or other payments made in respect of the Instruments, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Instruments, be required to pay any additional amounts as a result of the FATCA Withholding. As a result, investors may receive less interest or principal than expected.

Whilst the Instruments are in global form and held within a clearing system, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Instruments by the Issuer or any paying agent for such clearing system, given that each of the entities in the payment chain between the Issuer and the clearing system is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Instruments. The Global Instrument for the Series of Instruments provides that such Global Instrument may, in certain limited circumstances, be exchanged for instruments in definitive form and therefore cease to be held through a clearing system. If this were to happen then, depending on the circumstances, payments to a non-FATCA compliant holder could be subject to FATCA Withholding. However, conversion into definitive instruments is only anticipated to occur in certain limited circumstances.

However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA Withholding. It may also affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA Withholding. Investors should choose the custodians or intermediaries with care (to ensure that each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms and/or other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA Withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Instruments are discharged once it has paid the depositary for the clearing system (as legal owner of the Instruments) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the clearing systems and custodians or intermediaries.

THE FATCA PROVISIONS ARE PARTICULARLY COMPLEX AND THEIR APPLICATION TO THE ISSUER AND THE INSTRUMENTS IS UNCERTAIN AT THIS TIME. THE ABOVE DESCRIPTION IS BASED IN PART ON REGULATIONS, OFFICIAL GUIDANCE AND MODEL IGAS, ALL OF WHICH ARE SUBJECT TO CHANGE OR MAY BE IMPLEMENTED IN A MATERIALLY DIFFERENT FORM. NOTHING IN THIS SECTION CONSTITUTES OR PURPORTS TO CONSTITUTE TAX ADVICE AND INSTRUMENTHOLDERS ARE NOT ENTITLED TO RELY ON ANY PROVISION SET OUT IN THIS SECTION FOR THE PURPOSES OF MAKING ANY INVESTMENT DECISION, TAX DECISION OR OTHERWISE. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF THE FATCA PROVISIONS AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT IT IN ITS PARTICULAR CIRCUMSTANCE.

## SALES AND TRANSFER RESTRICTIONS

### General

The distribution of this document and the offering of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about and to observe any such restrictions.

The Issuer will, by executing the Series Instrument, enter into a purchase agreement (the “**Purchase Agreement**”) with Deutsche Bank AG, London Branch in its capacity as purchaser (the “**Purchaser**”) in respect of the Instruments, pursuant to which the Purchaser will agree, among other things, to purchase the Instruments.

The Instruments issued will be purchased by the Purchaser at the relevant Issue Price. Such Instruments will then be sold by the Purchaser at such times and at such prices as the Purchaser may select provided that where the Instruments are listed on any stock exchange this shall be subject to applicable rules and regulations of any such stock exchange. The Instruments may be offered or sold from time to time in one or more transactions, in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, in each case at the discretion of the Purchaser. Neither the Issuer nor the Purchaser shall be obliged to sell all or any of the Instruments issued.

**The Purchaser will in the Purchase Agreement agree that it 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 the Instruments or has in its possession or distributes this Prospectus or any part thereof or any other offering material in all cases at its own expense unless otherwise agreed and the Issuer shall have no responsibility therefor.**

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Purchaser will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in the Federal Republic of Germany from the time the Prospectus has been approved in Luxembourg and published and notified to the competent authority in the Federal Republic of Germany, in accordance with the Prospectus Directive, until the Primary Market End Date, provided that the Issuer has consented in writing to use of the Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Instruments to the public in that Relevant Member State:

- (a) at any time to any person or entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Purchaser or Purchasers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Instruments referred to in (a) to (c) above shall require the Issuer or Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Instruments to the public**” in relation to any Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

## **Ireland**

Each Purchaser will be required to represent, warrant and agree that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Instruments, or do anything in Ireland in respect of the Instruments, otherwise than in conformity with the provisions of:

- (i) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended by the Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012) and any rules issued by the Central Bank of Ireland under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) (the “**2005 Act**”);
- (ii) the Companies Acts 1963 to 2012;
- (iii) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland; and
- (iv) the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 34 of the 2005 Act, and will assist the Issuer in complying with its obligations thereunder.

## **United Kingdom**

Each Purchaser will be required to represent and agree that:

- (d) in relation to any Instruments which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (e) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (f) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

## **United States**

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

Accordingly, the Instruments may not be offered, sold, pledged or otherwise transferred except in an “Offshore Transaction” (as such term is defined under Regulation S) to or for the account or benefit of a Permitted Transferee.

The following definitions shall apply for the purposes of this United States selling and transfer restriction:

“**Permitted Transferee**” means any person who is not:

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S; or
- (b) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC Rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person).

Transfers of Instruments within the United States or to any person other than a Permitted Transferee are prohibited. Any transfer of Instruments to a person other than a Permitted Transferee (a “**Non-Permitted Transferee**”) will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in an Instrument in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Instrument. The Issuer shall have the right at any time after becoming aware that any legal or beneficial ownership interest in an Instrument is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (i) an affiliate of the Issuer (to the extent permitted by applicable law); or (ii) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 7.4.

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

As defined in Rule 902(k)(1) of Regulation S, “**U.S. person**” means:

- (a) Any natural person resident in the United States;
- (b) Any partnership or corporation organized or incorporated under the laws of the United States;
- (c) Any estate of which any executor or administrator is a U.S. person;
- (d) Any trust of which any trustee is a U.S. person;
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership or corporation if:
  - (i) Organized or incorporated under the laws of any foreign jurisdiction; and
  - (ii) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in §230.501(a)) who are not natural persons, estates or trusts.

As defined in CFTC Rule 4.7, modified as indicated above, “**Non-United States person**” means:

- (a) A natural person who is not a resident of the United States;
- (b) A partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (c) An estate or trust, the income of which is not subject to United States income tax regardless of source;

- (d) An entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of part 4 of the Commodity Futures Trading Commission's regulations by virtue of its participants being Non-United States persons; and
- (e) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

As defined in the CFTC's interpretive guidance and policy statement regarding compliance with certain swap regulations, 78 Fed. Reg. 45292, 316 (Jul. 26, 2013), "U.S. person" includes, but is not limited to:

- (a) Any natural person who is a resident of the United States;
- (b) Any estate of a decedent who was a resident of the United States at the time of death;
- (c) Any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of enterprise similar to any of the foregoing (other than an entity described in clauses (d) or (e), below) (a "legal entity"), in each case that is organized or incorporated under the laws of a state or other jurisdiction in the United States or having its principal place of business in the United States;
- (d) Any pension plan for the employees, officers or principals of a legal entity described in clause (c), unless the pension plan is primarily for foreign employees of such entity;
- (e) Any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust;
- (f) Any commodity pool, pooled account, investment fund, or other collective investment vehicle that is not described in clause (c) and that is majority-owned by one or more persons described in clause (a), (b), (c), (d), or (e), except any commodity pool, pooled account, investment fund, or other collective investment vehicle that is publicly offered only to non-U.S. persons and not offered to U.S. persons;
- (g) Any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) that is directly or indirectly majority-owned by one or more persons described in clause (a), (b), (c), (d), or (e) and in which such person(s) bears unlimited responsibility for the obligations and liabilities of the legal entity; and
- (h) Any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in clause (a), (b), (c), (d), (e), (f), or (g).

Each prospective purchaser of the Instruments, by accepting delivery of this Base Prospectus and the Instruments, and each transferee of the Instruments by accepting the transfer of the Instruments, will be deemed to have represented and agreed as follows:

- (a) it understands that the Instruments have not been and will not be registered under the Securities Act and agrees that it will not, at any time during the term of the Instruments, offer, sell, pledge or otherwise transfer the Instruments, except in an "Offshore Transaction" (as such term is defined under Regulation S) to or for the account of a Permitted Transferee;
- (b) it understands and acknowledges that no person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the CEA Rules;
- (c) (i) it is a Permitted Transferee and (ii) if it is acting for the account or benefit of another person, such other person is also a Permitted Transferee;
- (d) it understands and agrees that the Issuer has the right to compel any legal or beneficial owner of an interest in the Instruments to certify periodically that such legal or beneficial owner is a Permitted Transferee;

- (e) it understands and acknowledges that the Issuer has the right to refuse to honour the transfer of an interest in the Instruments in violation of the transfer restrictions applicable to the Instruments;
- (f) it understands and acknowledges that the Issuer has the right at any time after becoming aware that any legal or beneficial ownership interest in an Instrument is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (i) an affiliate of the Issuer (to the extent permitted by applicable law) or (ii) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 8.3;
- (g) it agrees to provide notice of the restrictions set forth herein to any transferee of its interest in the Instruments;
- (h) it understands that Instruments will bear a legend regarding the restrictions set forth herein; and
- (i) it understands that any purported transfer in violation of the transfer restrictions applicable to the Instruments will be void *ab initio* and will not operate to transfer any rights to the Non-Permitted Transferee.

The Instruments have not been approved or disapproved by the United States Securities and Exchange Commission (“SEC”) or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this document or the merits of the Instruments. Any representation to the contrary is a criminal offence. Furthermore, the Instruments do not constitute, and have not been marketed as, contracts for the sale of a commodity for future delivery (or options thereon) subject to the CEA, and neither trading in the Instruments nor this document has been approved by the CFTC under the CEA, and no person other than a Permitted Transferee may at any time trade or maintain a position in the Instruments.

## General

Save as described in the section “Public Offer” below, no action has been taken by the Issuer or Deutsche Bank AG, London Bank that would, or is intended to, permit an offer of the Instruments in any country or jurisdiction where any such action for that purpose is required. Accordingly, Deutsche Bank AG, London Bank has undertaken that it will not, directly or indirectly, offer or sell any Instruments or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Instruments by it will be made on the same terms.

## Public Offer

Upon submission of this Prospectus to the CSSF for approval, the Issuer intends to request that the CSSF provides to the competent authority in the Federal Republic of Germany (the “**Public Offer Jurisdiction**”) a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive. Upon provision of such certificate, an offer of the Instruments may be made by Deutsche Bank Privat- und Geschäftskunden AG of Theodor-Heuss-Allee 72 , 60486 Frankfurt am Main, Deutschland and Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main, Deutschland (each a “**Distributor**”) other than pursuant to Article 3(2) of the Prospectus Directive in the Public Offer Jurisdiction during the period set out in paragraph (a) below. The Instruments may only be offered or sold in any jurisdictions (including, without limitation, the Public Offer Jurisdiction), in accordance with the requirements of the relevant securities laws and regulations applicable in such jurisdiction. In particular the Instruments may be offered in the Public Offer Jurisdiction only in accordance with applicable laws and regulations.

**In the event of an offer being made by a Distributor, this Distributor will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

**Any Distributor who wishes to use this Prospectus in connection with an offer of the Instruments is required, for the duration of the Offer Period, to publish on its website that it is using this Prospectus for such offer in accordance with the consent of the Issuer and the conditions to which such consent is subject.**

- (a) Offer Period:

From 20 August 2014 to 9 September 2014 (the “**Primary Market End Date**”) during the hours in which banks are generally open for business in the Federal Republic of Germany. The Issuer reserves the right for any reason to close the Offer Period early. Notice of the early closure of the Offer Period will be made to investors by means of a notice published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu))

and in accordance with the Distributor's usual procedures. The Issuer reserves the right to appoint other distributors during the Offer Period, which will be communicated to investors by means of a notice published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

(b) Issue Price:

The Instruments will be offered at the Issue Price (EUR 1,000 per Instrument). In addition to the Issue Price the Distributor will charge investors a subscription fee per Instrument of up to 2.00 per cent. of the Issue Price. The amount of the subscription fee will be determined by the Distributor in its sole and absolute discretion, and will be notified to investors.

The Purchaser has offered the Instruments to the Distributor at a price (the “**Re-offer Price**”) per Instrument of 99.00 per cent. of the Issue Price, a discount to the Issue Price equivalent to a maximum yearly fee of 0.17 per cent. per annum thereon. The Issue Price is the price at which investors will subscribe for Instruments.

The Re-offer Price reflects the discount on the Issue Price granted by the Purchaser to the Distributor on the sale of the Instruments to the Distributor in satisfaction of the distribution-related fee agreed between the Purchaser and the Distributor. Further information on the Re-Offer Price is available from Deutsche Bank, AG.

(c) Conditions to which the offer is subject:

The offer of the Instruments is conditional on their issue. The Issuer reserves the right to withdraw the offer and/or cancel the issuance of the Instruments for any reason at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise purchase any Instruments. Notice of such withdrawal or cancellation of the issuance of the Instruments will be made to investors by means of a notice published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and in accordance with the relevant Distributor's usual procedures.

(d) The time period, including any possible amendments, during which the offer will be open and description of the application process:

The offer will be open during the Offer Period. Applications for the Instruments can be made in the Federal Republic of Germany to the Distributor. Applications will be in accordance with the Distributor's usual procedures, notified to investors by the Distributor. Amendments to the offer during the Offer Period will be notified to investors by means of a notice published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and in accordance with the relevant Distributor's usual procedures. Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer relating to the subscription for the Instruments.

(e) Details of the minimum and/or maximum amount of application:

The minimum allocation per investor will be equal to EUR 1,000 in principal amount of the Instruments. The maximum allocation of Instruments will be subject only to availability at the time of the application.

There are no pre-identified allotment criteria. The Distributor will adopt allotment criteria that ensures equal treatment of prospective investors. All of the Instruments requested through the Distributor during the Offer Period will be assigned up to the maximum amount of the offer.

(f) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

Not Applicable.

(g) Details of the method and time limits for paying up and delivering the Instruments:

The Instruments will be issued on the Issue Date against payment to the Issuer through the Distributor of the net subscription moneys. Each investor will be notified by the Distributor of the settlement arrangements in respect of the Instruments at the time of such investor's application.

- (h) Manner and date in which results of the offer are to be made public:

The Issuer will in its sole discretion determine the final amount of Instruments to be issued (which will be dependent on the outcome of the offer), up to a limit of EUR 75,000,000. The precise Aggregate Nominal Amount of Instruments to be issued will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) on or around the Issue Date. Notice of the precise Aggregate Nominal Amount of Instruments to be issued will also be given to the CSSF.

- (i) Categories of potential investors to which the Instruments are offered:

Offers may be made by the Distributor in the Public Offer Jurisdiction to any person during the Offer Period. In other EEA countries and in all jurisdictions (including the Public Offer Jurisdiction) outside of the Offer Period, offers will only be made by the Distributor or the Purchaser pursuant to an exemption from the obligation under the Prospectus Directive, as implemented in such countries, to publish a prospectus.

- (j) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:

Each investor will be notified by the Distributor of its allocation of Instruments after the end of the Offer Period and before the Issue Date. No dealings in the Instruments may take place prior to the Issue Date.

- (k) Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

Other than as specified in the section above entitled "Issue Price", the Issuer is not aware of any expenses and taxes specifically charged to the subscriber or purchaser.

For details of the Issue Price, which includes the commissions payable to the Distributors, see the section above entitled "Issue Price".

Taxes charged in connection with the subscription, transfer, purchase or holding of Instruments must be paid by the relevant investor and the Issuer shall not have any obligation in relation thereto. Investors should consult their professional tax advisers to determine the tax regime applicable to their particular situation.

For details of the tax regime applicable to subscribers in Germany, see "Taxation – Germany" in this Prospectus.

- (l) Name(s) and address(es) of the placers in the various countries where the offer takes place:

The addresses of the Distributors in connection with the offer in the Public Offer Jurisdiction are Deutsche Bank Privat- und Geschäftskunden AG, Theodor-Heuss-Allee 72, 60486 Frankfurt am Main, Deutschland and Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main, Deutschland.

- (m) Listing and admission to trading

Application has been made to the Luxembourg Stock Exchange for the Instruments to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Application has also been made to for the Instruments to be admitted to trading on the unregulated markets of the Frankfurt Stock Exchange and the Stuttgart Stock Exchange and to be listed on the Freiverkehr of the Frankfurt Stock Exchange and the Freiverkehr of the Stuttgart Stock Exchange.

There cannot be any guarantee that admission to listing or trading on the Stock Exchanges will be obtained or, if so obtained, will be maintained for the life of the Instruments. Nor can there be any guarantee that the Instruments will be listed on the Stock Exchanges upon issuance.

## **USE OF PROCEEDS**

The net proceeds from the Instruments will be used to acquire the Collateral comprised in the Series Assets in respect of the Instruments, to pay for, or enter into, the Hedging Agreement in connection with such Instruments and to pay expenses in connection with the administration of the Company or the issue of the Instruments.

## GLOSSARY

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

“**2010 PD Amending Directive**” means Directive 2010/73/EU.

“**Affiliate**” means, in relation to any entity (the “First Entity”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes “control” means ownership of a majority of the voting power of an entity.

“**Agency Agreement**” means the agency agreement in respect of the Instruments entered into by the Issuer, the Trustee and the Agents by their execution of the Series Instrument, as amended, restated and/or supplemented from time to time.

“**Agents**” means the Principal Agent, the Paying Agents, the Custodian, the Calculation Agent, the Selling Agent or any of them and all references to an Agent shall include such further or other person or persons as may be appointed from time to time an agent under the Agency Agreement with the prior written approval of the Trustee under the Series Instrument.

“**Aggregate Nominal Amount**” means the aggregate nominal amount of the Instruments for the time being outstanding. The Aggregate Nominal Amount as of the Issue Date will be specified in the Series Instrument.

“**Arranger**” means Deutsche Bank AG, London Branch of Winchester House, 1 Great Winchester Street, London EC2N 2DB.

“**Articles**” means the incorporation deed containing the articles of incorporation of the Company.

“**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.

“**Banking Day**” means London, Luxembourg, Frankfurt and TARGET.

“**Benchmark Rate**” means EURIBOR.

“**Benefit Plan Investor**” has the meaning given to it in Condition 7.4.2 (*Redemption at the option of the Issuer on void transfer or other disposition*).

“**BHC Act**” means the Bank Holding Company Act of 1956, as amended.

“**Board**” means the board of directors of the Company.

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Frankfurt, Luxembourg, and a day on which each Clearing Agent is open for business and, for the purpose of making payments in euro, if applicable, any day on which TARGET2 is open.

“**Calculation Agent**” means Deutsche Bank AG, London Branch and any successor, substitute or additional Calculation Agent from time to time appointed.

“**Calculation Amount**” means EUR 1,000.

“**CEA**” means the Commodity Exchange Act of 1936, as amended.

“**CFTC**” means the Commodity Futures Trading Commission.

“**CFTC Rules**” mean the rules under the CEA.

“**Clearing Agent**” means Euroclear and/or Clearstream, Luxembourg and/or Clearstream, Frankfurt.

“**Clearstream, Frankfurt**” means Clearstream Banking AG in Frankfurt am Main, Germany.

“**Clearstream, Luxembourg**” means Clearstream Banking, société anonyme in Luxembourg.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**Collateral**” means a principal amount of the AUD 470,000,000 inflation linked notes issued by Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch (ISIN: AU3TI0000189) equal to the Aggregate Nominal Amount of the Instruments issued on the Issue Date rounded to the nearest whole denomination of such securities, determined using a AUD-euro exchange rate of 1.445 Australian dollars per euro.

“**Collateral Currency**” means the currency in which the Collateral is denominated.

“**Collateral Default Event**” means a default, event of default or other similar event or circumstance occurs with respect to any of the Collateral (howsoever described and including, without limitation, a failure to pay any principal or interest when and where due in accordance with the terms of the Collateral as at the Issue Date).

“**Collateral Obligor**” means Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch.

“**Company**” means Palladium Securities 1 S.A.

“**Companies Act 1915**” means the Luxembourg law dated 10 August 1915 on Commercial Companies, as amended.

“**Compartment**” means a compartment established by the Board of the Company.

“**Compartment 143-2014-18**” means the separate compartment created by the Board in respect of the Instruments.

“**Compartment-Specific Claims Creditors**” means creditors of claims that have arisen in connection with the creation, operation or liquidation of a Compartment and which are not provided for in the waterfall included in the Conditions.

“**Conditions**” mean the terms and conditions of the Instruments set out in the section entitled “Conditions.”

“**Credit Support Document**” means, in relation to the Hedging Agreement, a credit support annex (Bilateral Form – Transfer) (1995 version for ISDA Agreements subject to English law) as published by the International Swaps and Derivatives Association Inc., entered into by the Issuer and the Hedging Counterparty and dated the Issue Date and as amended, restated and/or supplemented from time to time, pursuant to which the Hedging Collateral is delivered by the Hedging Counterparty to the Custodian.

“**CSSF**” means the *Commission de Surveillance du Secteur Financier*.

“**Custodian**” means Deutsche Bank Luxembourg S.A. in the capacity of custodian and any successor, substitute or additional Custodian from time to time appointed.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Instrument for any period of time (whether or not constituting an Interest Period, the “**Calculation Period**”) the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

“**Deed of Floating Charge**” means the Deed of Floating Charge dated 16 December 2004, as supplemented by the First Supplemental Deed of Floating Charge dated 30 May 2007.

“**Deutsche Bank AG**” means Deutsche Bank Aktiengesellschaft, a banking institution and a stock corporation incorporated under the laws of Germany and has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main.

“**Deutsche Bank Group**” means a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies, whose parent company is Deutsche Bank Aktiengesellschaft.

“**Director**” means a director of the Issuer.

“**Distributor**” means each of Deutsche Bank Privat- und Geschäftskunden AG of Theodor-Heuss-Allee 72 , 60486 Frankfurt am Main, Deutschland and Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main, Deutschland and together the “**Distributors**”.

“**Dodd-Frank Act**” means the Wall Street Transparency and Accountability Act of 2010.

“**Domestic Disbursing Agent**” means a German credit or financial services institution (*Kredit- oder Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution), or with a German securities trading business (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*).

“**Domiciliation Agent**” means Deutsche Bank Luxembourg S.A. of 2, Boulevard Adenauer, L1115 Luxembourg and any successor, substitute or additional Domiciliation Agent appointed from time to time.

“**Early Termination Amount**” means, in respect of Condition 7.3 (*Mandatory cancellation*), Condition 7.5 (*Redemption at option of the Issuer for Regulatory Event*) and Condition 7.6 (*Cancellation for taxation and other reasons*), Condition 12 (*Events of Default*), an amount calculated in accordance with Condition 7.2 (*Early Termination*).

“**Early Termination Interest Period**” means the Interest Period in which the Instruments become due and payable pursuant to Condition 7.3 (*Mandatory cancellation*), Condition 7.5 (*Redemption at option of the Issuer for Regulatory Event*), Condition 7.6 (*Cancellation for Taxation or other reasons*) or Condition 12 (*Events of Default*).

“**Early Termination Unwind Costs**” means the sum (the result of which may be positive, negative or zero) of:

(a) an amount, if any, determined by the Calculation Agent acting in good faith and a commercially reasonable manner, equal to the gain or loss realised by the Hedging Counterparty upon an unwind of the Hedging Agreement (expressed as a negative amount if a gain, and as a positive amount otherwise), taking into account (i) the sum of (without duplication) all amounts, costs, expenses (including loss of funding), tax and duties incurred by or payable to the Hedging Counterparty and (ii) the redemption of the Instruments and the related termination, settlement or re-establishment of any hedge or related trading position (but, for the avoidance of doubt in determining any such gain or loss, the obligation of the Hedging Counterparty under the Hedging Agreement to make payment of the aggregate

Early Termination Amounts and any obligation of the Issuer under the Hedging Agreement to deliver the Collateral Item(s) in connection with the early termination shall be disregarded), and with (i) and (ii) above to be determined by the Calculation Agent, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, by reference to such factors as it sees fit, including, without limitation, hedging arrangements, unwind and termination costs, commissions, fees and any arrangements entered into with third parties as well as:

- (1) market variables including interest rates and implied volatility; and
  - (2) costs to the Hedging Counterparty of unwinding any underlying related hedging arrangements; and (without duplication)
- (b) (expressed as a positive amount) any legal and other ancillary costs (including if applicable, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee, the Custodian or the Hedging Counterparty as a result of the Instruments becoming subject to mandatory cancellation following an Event of Default, an early termination of the Hedging Agreement, a termination of the Credit Support Document, a cancellation for tax reasons, a Collateral Default Event, a Collateral early redemption or a redemption at the option of the Issuer for a Regulatory Event.

“**Early Termination Valuation Date**” means:

- (a) for the purposes of a cancellation under Condition 7.3 (*Mandatory cancellation*), Condition 7.5 (*Redemption at option of the Issuer for Regulatory Event*) or Condition 7.6 (*Cancellation for other reasons*), the Business Day immediately preceding the due date for cancellation; or
- (b) for the purposes of a cancellation under Condition 12 (*Events of Default*), the due date for cancellation.

“**EEA**” means the European Economic Area.

“**EU**” means the European Union.

“**euro**”, “**EUR**”, and “**€**” mean the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty of European Union as amended by the Treaty of Amsterdam.

“**Effective Date**” means, with respect to any Interest Rate to be determined on an Interest Determination Date, the first day of the Interest Period to which such Interest Determination Date relates.

“**ERISA**” means the U.S. Employee Retirement Income Security Act of 1974, as amended.

“**ERISA Plan**” means employee benefit plans subject to Title 1 of ERISA or an individual retirement account or employee benefit plan subject to Section 4975 of the Code or entities which may be deemed to hold the assets of any such plans.

“**EURIBOR**” means the rate for deposits in EUR which appears on the Reuters Screen EURIBOR01 Page (or any Successor Source).

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**Event of Default**” means each of the events specified as such in Condition 12 (*Events of Default*).

“**Extraordinary Resolution**” means a resolution passed at a meeting of Instrumentholders duly convened and held in accordance with the Series Instrument by a majority of at least 75 per cent. of the votes cast or a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in Aggregate Nominal Amount of the Instruments for the time being outstanding.

“**FATCA**” means sections 1471 through 1474 of the U.S. Internal Revenue Code, together with regulations promulgated thereunder.

“**FATCA Withholding**” means any funds withheld under FATCA or an IGA (or any law implementing an IGA or agreement with the IRS relating to FATCA).

“**Final Redemption Amount**” means 100 per cent. per Calculation Amount per Instrument.

“**FSMA**” means the United Kingdom Financial Services and Markets Act 2000.

“**FTT**” means the proposed financial transactions tax in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

“**General Trust Terms**” means the trust terms module in respect of the Instruments entered into by the Issuer, the Trustee and the Hedging Counterparty by their execution of the Series Instrument, as amended, restated and/or supplemented from time to time.

“**Germany**” means the Federal Republic of Germany.

“**Global Instrument**” has the meaning given to that term in Condition 3.1 (*Form of Instruments*).

“**Grace Period**” means 30 days, which is equal to the grace period applicable to the payment of principal and interest due in respect of the Collateral before an event of default may be declared.

“**Hedging Agreement**” means the hedging agreement between the Issuer and a Hedging Counterparty in respect of the Instruments on the terms of the ISDA Master Agreement (including the related schedule) set out in and/or incorporated by reference into the Series Instrument, as supplemented by a confirmation entered into by the Issuer and such Hedging Counterparty and dated the relevant Issue Date and as amended, restated and/or supplemented from time to time.

“**Hedging Agreement Termination Date**” means 28 August 2020.

“**Hedging Collateral**” means such cash and/or government bonds and/or other assets delivered by the Hedging Counterparty to the Custodian from time to time pursuant to the terms of the Credit Support Document.

“**Hedging Counterparty**” means Deutsche Bank AG London Branch of Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and any successor, substitute or additional Hedging Counterparty from time to time appointed.

“**Hedging Counterparty Priority**” has the meaning given to it in Condition 8.8 (*Application of Proceeds of Series Assets*).

“**holder of Instruments**” has the meaning given to it in Condition 3.2 (*Title and Transfer*).

“**IGA**” means an intergovernmental agreement entered into between the United States and another jurisdiction to facilitate the implementation of FATCA.

“**Insolvency Act**” means the United Kingdom Insolvency Act 1986, as amended.

“**Instruments**” means the secured notes issued under this Programme.

“**Instrumentholders**” mean the holders of Instruments.

“**Instrumentholder Expenses**” means, in respect of an Instrument, all taxes, duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, in each case payable by or on behalf of the Issuer and arising in connection with (i) the exercise of such Instrument and/or (ii) any payment and/or delivery due following exercise, cancellation, repurchase, redemption or otherwise in respect of such Instrument.

“**Interest Accrual Date**” means each 12 September from and including 12 September 2015 to and including 12 September 2019, and 28 August 2020 (without adjustment).

“**Interest Amount**” means, in respect of each Instrument, an amount calculated by the Calculation Agent in accordance with Condition 5 (*Interest*).

“**Interest Determination Date**” means the day falling two Banking Days prior to the first day of each Interest Period.

“**Interest Payment Date**” means each 12 September from and including 12 September 2015 to and including 12 September 2019, and 28 August 2020.

“**Interest Period**” means the period commencing on (and including) the Issue Date to (but excluding) the first Interest Accrual Date and each period commencing on (and including) an Interest Accrual Date to (but excluding) the next following Interest Accrual Date and, if interest is required to be calculated for a period ending other than on (but excluding) the relevant Interest Accrual Date, the period commencing on (and including) the most recent Interest Accrual Date to (but excluding) the relevant payment date.

“**Interest Rate**” means, subject as provided below, (i) for each Interest Period commencing prior to the Interest Rate Switch Date, the 1.50 per cent. per annum and (ii) for each Interest Period commencing on or after the Interest Rate Switch Date, the rate of interest payable from time to time in respect of the Instruments calculated in accordance with the provisions of Condition 5.2 (*Floating Rate Interest*) and adjusted to reflect the Maximum Interest Rate and the Minimum Interest Rate.

“**Interest Rate Switch Date**” means each 12 September 2016.

“**Investor**” means a person intending to acquire or acquiring the Instruments (other than the Distributor).

“**IRS**” means the U.S. Internal Revenue Service.

“**Issue Date**” means 12 September 2014.

“**Issue Price**” means EUR1,000 per Instrument.

“**Issuer**” means the Company acting in respect of a Compartment 143-2014-18.

“**Law**” means the Luxembourg law of 23 December 2005, as amended.

“**Laws**” mean the Luxembourg laws of 21 June 2005.

“**Legal Entity**” means a legal person who is appointed as a member of the Board.

“**Listing Agent**” means Deutsche Bank AG London Branch of Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and any successor, substitute or additional Listing Agent from time to time appointed.

“**Luxembourg**” means the Grand Duchy of Luxembourg.

“**Rabobank Notes**” means the AUD 470,000,000 inflation-linked Notes due 28 August 2020 issued by Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch (ISIN: AU3TI0000189).

“**Market Value Collateral**” means, in respect of each item of Collateral, (i) where the Collateral has not been redeemed, an amount in the relevant Collateral Currency calculated by the Calculation Agent equal to the highest firm bid quotation obtained by the Calculation Agent from the Reference Banks for the Collateral (including accrued but unpaid interest in respect thereof), on the relevant Early Termination Valuation Date provided that if no firm bid quotation is obtained, the Market Value Collateral shall be calculated by the Calculation Agent in good faith and may in certain circumstances be zero, or (ii) in circumstances where the Collateral has been redeemed, the proceeds of redemption of the Collateral.

“**Maturity Date**” means the Interest Payment Date scheduled to fall in August 2020.

“**Maximum Interest Rate**” means 3.00 per cent. per annum.

“**Mémorial**” means the *Mémorial C, Recueil des sociétés et associations*.

“**Minimum Interest Rate**” means 0.50 per cent. per annum.

“**Net Proceeds**” means the net proceeds of the realisation of the security created pursuant to the Series Instrument.

“**Non Compartment-Specific Claims Creditors**” means creditors whose claims against the Company have not arisen in connection with the creation, operation or liquidation of a Compartment and which have not waived their recourse to the assets of any Compartment.

“**Non-exempt Offer**” means an offer of the Instruments in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus.

“**Non-Permitted Transferee**” means any person who is: (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S; (b) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person); or (c) a “resident of the United States” for purposes of, and as defined in implementing regulations proposed or issued under, Section 13 of the BHC Act.

“**OECD**” means the Organisation for Economic Cooperation and Development.

“**offer of instruments to the public**” means, in relation to any Instruments in any Relevant Member State, the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments.

“**Offeror**” means the person making an offer for the Instruments.

“**Offer Period**” being the period from 20 August 2014 to 9 September 2014.

“**Outgoing Trustee**” means any party acting in the capacity of Trustee prior to their replacement in accordance with the General Trust Terms.

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

“**Paying Agent**” means the person(s) executing the Agency Agreement in the capacity of paying agent and any successor, substitute or additional Paying Agent from time to time appointed.

“**Payment Day**” means any day which is (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation and London and Luxembourg; and (ii) either (1) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of such currency (if other than the place of presentation) or (2) in relation to any sum payable in euro, a day that TARGET2 is open.

“**Permitted Indebtedness**” has the meaning given to that term in Condition 10.1.1.

“**Permanent Global Instrument**” means the Instruments represented by interests in a permanent global instrument.

“**Permitted Investments**” has the meaning given to that term in Condition 10.1.1.

“**Permitted Transferee**” means any person that is not a Non-Permitted Transferee.

“**Potential Event of Default**” means an event which, with the giving of notice and/or lapse of time and/or the forming of an opinion and/or the giving of any certificate and/or the making of any determination, would become an Event of Default.

“**Primary Market End Date**” means 9 September 2014.

“**Principal Agent**” means Deutsche Bank AG, London Branch or any successor, substitute or additional Principal Agent from time to time appointed.

“**Pro Rata Rights**” means the rights of Non Compartment Specific Claims Creditors in respect of all Compartments, as described in the Articles.

“**Programme**” means the Company’s Programme for the issuance of secured notes.

“**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

“**Public Offer Jurisdiction**” means the Federal Republic of Germany.

“**Purchase Agreement**” means the purchase agreement in respect of the Instruments pursuant to which the Instruments are purchased by the Purchaser on the Issue Date, entered into by the Issuer and the Purchaser by their execution of the Series Instrument, as amended, restated and/or supplemented from time to time.

“**Purchaser**” means the person (if any) executing the Series Instrument in the capacity of purchaser.

“**Recalcitrant Holder**” means an accountholder that has not provided information requested to establish that such accountholder is exempt from reporting under the FATCA rules.

“**Redemption Amount**” means the Final Redemption Amount or the Early Termination Amount, as applicable.

“**Redemption Date**” means the Maturity Date or the date on which any Early Termination Amount is due to be paid, as applicable.

“**Reference Banks**” means Deutsche Bank AG and two banks unaffiliated to Deutsche Bank AG designated by the Calculation Agent at the relevant time.

“**Regulation S**” means Regulation S of the Securities Act.

“**Regulatory Event**” has the meaning given to it in Condition 7.5 (*Redemption at option of the Issuer for Regulatory Event*).

“**Relevant Authority**” means any court, tribunal, government or regulatory authority with competent jurisdiction.

“**Relevant Financial Centre**” means London.

“**Relevant Implementation Date**” in relation to a Relevant Member State means the date on which the Prospectus Directive is implemented in that Relevant Member State.

“**Relevant Member State**” means a Member State of the European Economic Area which has implemented the Prospectus Directive.

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

“**Relevant Time**” means, with respect to any Interest Determination Date, 11.00 am (London time).

“**Re-offer Price**” means a price per Instrument of 99.00 per cent. of the Issue Price.

“**Repayable Assets**” has the meaning given to it in Condition 7.3 (*Mandatory cancellation*).

“**Replacement Event**” means where the Hedging Counterparty acting in its sole and absolute discretion determines that for legal, regulatory or other similar reasons, it is in the interests of any Series Party (excluding the Trustee) to replace the Trustee.

“**Replacement Trustee**” means any replacement trustee appointed by the Hedging Counterparty in accordance with the General Trust Terms as amended by the relevant Series Instrument.

“**Representative Amount**” means an amount that is representative for a single transaction in the relevant market at the time.

“**Responsible Person**” means the Issuer.

“**SEC**” means the United States Securities and Exchange Commission.

“**Securities Act**” means the United States Securities Act of 1933, as amended.

“**Securitisation Act 2004**” means the Luxembourg act dated 22 March 2004 on securitisation, as amended.

“**Selling Agent**” means the person executing the Agency Agreement in the capacity of selling agent and any successor, substitute or additional Selling Agent from time to time appointed.

“**Series**” means a series of instruments issued by the Company in respect of a Compartment.

“**Series Assets**” means the Collateral and the other property, assets and/or rights of the Issuer so specified to be Series Assets in the Series Instrument for the Instruments and which have been charged, assigned, pledged and/or otherwise made subject to the security created by the Issuer in favour of the Trustee pursuant to the Series Instrument. The Series Assets shall have characteristics whereby, taken together, they demonstrate a capacity to produce funds to service the Issuer’s obligations to make payments due and payable under the Instruments.

“**Series Instrument**” means the Series Instrument dated the Issue Date made between, inter alios, the Issuer and the Trustee, by which the Instruments is constituted and secured, as amended, restated and/or supplemented from time to time.

“**Series Parties**” means the Instrumentholders, the Trustee, the Custodian and any Hedging Counterparty, all of whom expressly accept, and shall be deemed to be bound by, the provisions of the Securitisation Act 2004 and, in particular, the provisions on limited recourse, no petition, subordination, waterfall and priority of payments as included in the Conditions.

“**Share Trustees**” mean the holders of the issued ordinary shares of the Company held on trust by these holders.

“**Shortfall**” means the amount, if any, by which the amount of the Net Proceeds is less than the payments which would, but for the provisions of Condition 8.10 (*Realisation of the Series Assets*), have been due under the Instruments and each Hedging Agreement and/or to any other Series Parties.

“**SIS**” means SIS SegalInterSettle AG, the Swiss Securities Services Corporation in Olten, Switzerland.

“**Specified Currency**” means EUR.

“**Specified Denomination**” means EUR 1,000.

“**Specified Duration**” means 12 months.

“**Specified Office**” means, in relation to the Paying Agent, Winchester House, 1 Great Winchester Street, London EC2N 2DB or such other office as may otherwise be determined pursuant to the Series Instrument.

“**Sub-Custodian**” means each sub-custodian appointed by the Custodian under the terms of the Agency Agreement.

“**Substitute Company**” has the meaning given to that term in Condition 14.4 (*Substitution*).

“**Successor Source**” means, in respect of a page, screen or other published source, (i) any successor display page, other published source, information vendor, service or provider that has been officially designated by the sponsor of the original page or source, or (ii) if the sponsor has not officially designated a successor display page, other published source, information vendor, service or provider (as the case may be), the successor display page, other published source, information vendor, service or provider, if any, designated by the relevant information vendor, service or provider (if different from the sponsor).

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer System.

“**TEFRA D Rules**” means the U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D).

“**Temporary Global Instrument**” means the Instruments initially represented by interests in a temporary global instrument.

“**Territories**” means Luxembourg and certain dependent and associated territories of EU Member States.

“**Trustee**” means Deutsche Trustee Company Limited of Winchester House, 1 Great Winchester Street, London EC2N 2DB and any successor, substitute or additional Trustee from time to time appointed, or the Replacement Trustee, in the event that the Replacement Trustee is appointed as Trustee in accordance with the General Trust Terms as amended by the relevant Series Instrument.

“**unit**” has the meaning given to it in Condition 5.6.3 (*Maximum/Minimum Interest Rates and Rounding*).

“**United States**” means the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico.

“**US Persons**” or individually a “**US Person**” has the meaning given to that term in Rule 902 under the Securities Act.

## GENERAL INFORMATION

1. The issue of the Instruments described hereunder were presented to the Board and approved by a resolution of the Board passed on 6 August 2014.
2. The estimated net proceeds from the issue of the Instruments are up to EUR 75,000,000. The net proceeds will be used to acquire the Collateral comprised in the Series Assets, to pay for or enter into the Hedging Agreement and to pay expenses in connection with the administration of the Issuer. The expenses related to the issue will be paid by the Hedging Counterparty.
3. After the Interest Rate Switch Date, the interest rate on the Instruments is a floating rate determined by reference to 12 month EURIBOR rates. Details of past and further performance of 12 month EURIBOR rates and their volatility can be obtained from Reuters Screen Page EURIBOR01.
4. The yield in respect of the fixed rate period is calculated in accordance with the ICMA Method. The ICMA Method determines the effective interest rate for securities taking into account accrued interest on a daily basis.
5. 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 the date of the latest audited accounts dated 31 January 2014.
6. 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 its incorporation, a significant effect on the financial position or profitability of the Issuer.
7. Application has been made to the Luxembourg Stock Exchange for the Instruments to be admitted to trading on the Luxembourg Stock Exchange's regulated market and the unregulated markets of the Frankfurt Stock Exchange and the Stuttgart Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange, the Freiverkehr of the Frankfurt Stock Exchange and the Freiverkehr of the Stuttgart Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).
8. There cannot be any guarantee that admission to listing or trading on the Stock Exchanges will be obtained or, if so obtained, will be maintained for the life of the Instruments. Nor can there be any guarantee that the Instruments will be listed on the Stock Exchanges upon issuance.
9. The CSSF has provided the competent authority of the Federal Republic of Germany with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive.
10. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. In respect of this issue of Instruments, the International Securities Identification Number (ISIN) will be: XS1093823968 and the Common Code will be: 109382396.
11. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L 1855 Luxembourg.
12. The Issuer does not intend to provide any post-issuance transaction information in relation to the Instruments or the performance of any Collateral or Series Assets or in relation to the rates in respect of the Instruments.
13. The Arranger may at any time purchase Instruments. Any Instruments so purchased may be held or resold by the Arranger.
14. Save for any fees payable to the Purchaser and the Distributor, so far as the Issuer is aware, no person involved in the issue of the Instruments has an interest material to the offer.
15. From the date of this Prospectus and for so long as any of the Instruments remain outstanding, the following documents will be available in physical form, during usual business hours on any day (Saturdays, Sundays and public holidays excepted) for inspection at the specified offices of the Paying Agents (and copies of the

documents specified in sub-paragraphs (G) (ii) and (iv) below may be obtained free of charge from the specified office of the Paying Agents):

- (A) the consolidated version of the Articles of the Company;
- (B) this Prospectus (which may also be inspected on the website of [www.bourse.lu](http://www.bourse.lu));
- (C) the Series Instrument relating to the issue of the Instruments and such documents entered into by the execution of the Series Instrument including, for the avoidance of doubt, the Agency Agreement, the Hedging Agreement and the Purchase Agreement;
- (D) the published audited financial statements dated 31 January 2013 and 31 January 2014 of the Issuer incorporated by reference into this Prospectus;
- (E) copies of the following documents in respect of the Collateral:
  - (i) the offering memorandum of Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Nederland), Australia Branch dated 5 March 2007; and
  - (ii) the series supplement in respect of the Collateral dated 27 February 2007
- (F) such other documents as may be required by the rules of any stock exchange on which the Instruments are at the relevant time listed; and
- (G) no later than fifteen days before any general meeting of holders of Ordinary Shares:
  - (i) the balance sheet and profit and loss account;
  - (ii) the list of sovereign debt, shares, bonds and other company securities comprising each compartment of the Issuer;
  - (iii) the list of holders of Ordinary Shares that are not paid-up, with an indication of the number of their Ordinary Shares and their domicile; and
  - (iv) the report of the statutory auditors of the Issuer.

**REGISTERED OFFICE OF THE COMPANY**

**Palladium Securities 1 S.A.**  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**ARRANGER**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**TRUSTEE**

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