

# INVESTMENT MEMORANDUM

## LINKLEASE FINANCE PLC

("the Issuer")

(incorporated in England with limited liability under the Companies Act 2006 with registration number 11663405)

**Up to US\$50,000,000 Secured Medium Term Notes issued on 19 December 2018 ("Series 2018-LL1")**

**Issued under the Secured Medium Term Note Programme (the "Programme")**

This Investment Memorandum has been prepared for information purposes only and is not, nor is it intended to be, a Prospectus for the purposes of Section 85 of the Financial Services and Markets Act 2000 ("FSMA") or to constitute an offer to the public of any kind. This Investment Memorandum has not been approved by an authorised person for the purposes of Section 21 of FSMA, and is exempt from such by section 86(1)(c) Prospectus Directive Amending Directive (2010/73/EU). In particular, this Investment Memorandum is not an "offer of Notes to the public" pursuant to Directive 2003/71/EC (and amendments thereto) (the "Prospectus Directive").

**This listing document includes information given in compliance with the listing rules of the Official List of the Cayman Islands Stock Exchange (the "CSX"). The Issuer accepts full responsibility for the accuracy of the information contained in the listing document and confirms, having made reasonable enquiry, that, to the best of its knowledge and belief, there are no facts the omission of which would make any statement within the listing document misleading. The CSX takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.**

Application has been made to the CSX for approval of the Programme and, for a period of five years from the Issue Date, an application has been made for the listing of, and permission to deal in, the Notes issued under Series 2018-LL1. Application may be made to CSX for the listing of, and permission to deal in, certain other series issued under the Programme.

Under the Programme, the Issuer may from time to time issue notes (the "Notes") in any number of series (the "Series"). The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed US\$500,000,000.

Each Noteholder under any Series shall have a denomination of Notes of at least US\$125,000.

**An investment in the Notes issued under the Series 2018-LL1 involves certain risks. For a discussion of these risks see "Risk Factors".**

Subject as set out below, the net proceeds from Series 2018-LL1 will be used by the Issuer (as lender) to advance loan amounts pursuant to the terms of the loan agreement dated 19 December 2018 (the "Loan Agreement") to:

1. Mercury Equipment Rental LLC (an entity incorporated in the United Arab Emirates (the "UAE") with company number 819181;
2. Mercury Car Rental LLC (an entity incorporated in the United Arab Emirates (the "UAE") with company number 822765; and

3. such other borrowers as the case may be subject to that additional Borrower's accession as an obligor under the Loan Agreement)

(each a “**Borrower**” and together, the “**Borrowers**”).

The Notes issued under Series 2018-LL1 have the benefit of local law security in the UAE granted in favour of Abu Dhabi Commercial Bank PJSC (the “**Security Agent**”) for the benefit of the Issuer securing the Borrower's obligations under the Loan Agreement (the “**Borrower Security**”).

The rights of the Issuer in respect of the Loan Agreement and Borrower Security are secured in favour of the Security Trustee (as defined below) for the benefit of the Noteholders pursuant to the terms of the Issuer Deed of Charge dated 19 December 2018 between the Issuer and the Security Trustee (as defined below) (the “**Issuer Deed of Charge**”).

The Notes issued under the Series 2018-LL1 have been admitted to trading on the Open Market of the Frankfurt Stock Exchange (the “**Frankfurt Stock Exchange**”). Application has been made for the Notes issued under the Series 2018-LL1 to be admitted to the Official List of the Cayman Islands Stock Exchange. An application has been made to the Cayman Islands Stock Exchange (the “**Authority**”) for approval to list the Notes issued under Series 2018-LL1. Neither the admission of the Notes to the Official List nor the approval of this Investment Memorandum pursuant to the listing requirements of the Authority shall constitute a warranty or representation by the Authority as to the competence of the Authority, as to the competence of the service providers to, or any other party connected with, the Issuer, the adequacy and accuracy of information contained in this Investment Memorandum or the suitability of the Issuer for investment or for any other purpose.

This Investment Memorandum comprises the Listing Document for the purposes of admitting the Notes issued under Series 2018-LL1 to the Official List of the Exchange.

The Notes issued under Series 2018-LL1 are only intended to be offered in the primary market to, and held by, investors who are particularly knowledgeable in investment matters.

**The Open Market of the Frankfurt Stock Exchange (the “Relevant Exchange”) is a market designated for professional investors and does not constitute a regulated market for the purposes of Directive 2014/65/EU (as amended, “MiFID II”). Accordingly, Notes issued under the Series 2018-LL1 and admitted to trading on the Relevant Exchange are not admitted to listing on, and this Investment Memorandum does not constitute a base prospectus for the purposes of a listing or an admission to trading on, any market in the European Economic Area (the “EEA”) which has been designated as a regulated market for the purposes of MiFID II.**

**No listing authority or stock exchange (including the Relevant Stock Exchange) has approved or verified the contents of this Investment Memorandum as at the date hereof.**

References in this Investment Memorandum to Notes issued under Series 2018-LL1 being admitted to trading (and all related references) shall mean that such Notes issued under Series 2018-LL1 have been admitted to trading the Relevant Stock Exchange, as the context requires.

The Programme provides that Notes may be listed and/or admitted to trading on such other or further stock exchange or stock exchanges. Notes may be issued also on the basis that they will not be listed or admitted to trading on any stock exchange.

Notice of the aggregate principal amount of, interest (if any) payable in respect of, the issue price of, and certain other information which is applicable to the Notes issued under Series 2018-LL1 (as defined under “*Terms and Conditions of the Notes*”) are set forth in the “Pricing

Supplement" (the "**Pricing Supplement**") which will be delivered to each Relevant Stock Exchange.

This Investment Memorandum is being distributed only to and is directed only at: (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and/or (b) high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**").

Any person who receives this Investment Memorandum and is not a relevant person must not act or rely on this document or any of its contents and must return this Investment Memorandum to the Issuer immediately. Any Notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons.

**The Notes have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any United States jurisdiction and, accordingly, may not be offered or sold in the United States or to U.S. persons (as such term is defined in Rule 902(k) under the Securities Act) unless registered under the Securities Act and such laws, or an exemption from such registration requirements is available.**

Series 2018-LL1 of the Notes issued under the Programme have been rated by ARC Ratings, S.A. ("**ARC**"). ARC is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"). Series 2018-LL1 of the Notes is rated A (Sf) (Ind), such rating will not necessarily be the same as the rating(s) assigned to further Notes issued under any other series. Where a further Series of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The date of this Investment Memorandum is \_\_\_\_\_ August 2019.

*This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The Issuer accepts full responsibility for the accuracy of the information contained in the listing document and confirms, having made reasonable enquiry, that to the best of its knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.*

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## IMPORTANT NOTICES

**This Investment Memorandum comprises admission particulars in respect of all Notes issued under Series 2018-LL1.**

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

**This Investment Memorandum should be read and construed in conjunction with future audited unconsolidated annual financial statements of the Issuer and future unaudited interim unconsolidated financial statements of the Issuer (if any) as and when such financial statements are published in accordance with applicable laws and regulations and such financial statements shall, upon publication, be incorporated in, and form part of, this Investment Memorandum. Copies of such financial statements can be obtained from the registered office of the Issuer in London. Any documents themselves incorporated by reference in such financial statements shall not form part of this Investment Memorandum.**

**This Investment Memorandum must be read and construed together with the Pricing Supplement.**

**None of the Trustee, the Security Trustee, and the Issuer's counsel have authorised the issue of the whole or any part of this Investment Memorandum and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Investment Memorandum.**

**Without prejudice to the generality of the foregoing paragraph, none of the Issuer's counsel, the Arranger, the Trustee, and the Security Trustee have independently verified the information set out in the Pricing Supplement or otherwise in this Investment Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Issuer's counsel, the Arranger, the Trustee, and the Security Trustee as to the accuracy or completeness of any such information.**

**No person is or has been authorised by any of the Issuer, the Issuer's counsel, the Arranger, the Trustee, or the Security Trustee to give any information or to make any representation not contained in or not consistent with this Investment Memorandum or any other document entered into in relation to Series 2018-LL1 or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer, the Arranger, the Trustee, or the Security Trustee.**

**Neither this Investment Memorandum nor any other information supplied in connection with the Programme or any Notes issued under Series 2018-LL1 (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by any of the Issuer, the Issuer's counsel, the Arranger, the Trustee, and the Security Trustee that any recipient of this Investment Memorandum or any other information supplied in connection with the Programme or any Notes issued under Series 2018-LL1 should purchase any Notes. Each investor contemplating purchasing any Notes issued under Series 2018-LL1 should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Investment Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes issued under Series 2018-LL1 constitutes**

**an offer or invitation by or on behalf of any of the Issuer, the Arranger, the Trustee, or the Security Trustee to any person to subscribe for or to purchase any Notes.**

**Neither the delivery of this Investment Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Investment Memorandum is true subsequent to the date hereof or the date upon which this Investment Memorandum has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Investment Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme or any Notes issued under Series 2018-LL1 is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**IMPORTANT – EEA RETAIL INVESTORS** – the Notes issued under Series 2018-LL1 are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

### **IMPORTANT INFORMATION RELATING TO THE USE OF THIS INVESTMENT MEMORANDUM AND OFFERS OF NOTES GENERALLY**

This Investment Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Investment Memorandum and the Pricing Supplement and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Issuer’s counsel, the Arranger, the Trustee, and the Security Trustee do not represent that this Investment Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuer, the Arranger, the Trustee, and the Security Trustee which is intended to permit a public offering of any Notes or distribution of this Investment Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Investment Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Investment Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Investment Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Investment Memorandum and the offer or sale of Notes in the United States and the United Kingdom and a prohibition in respect of the sale of certain Notes to EEA retail investors, see “*Subscription and Sale*”.

## PRESENTATION OF INFORMATION

### Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Investment Memorandum will have the meaning attributed to them in “*Terms and Conditions of the Notes*” or any other section of this Investment Memorandum. In addition, in this Investment Memorandum:

- references to a “**Member State**” are references to a Member State of the European Economic Area;
- references to “**pounds sterling**”, “**sterling**” and “**£**” are to the lawful currency of the United Kingdom;
- references to “**US\$**”, “**U.S. dollars**”, “**\$**”, “**USD**” or “**dollars**” are to the currency of the United States of America; and
- references to “**EUR**”, “**€**” or “**euro**” are to the single currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended.

Certain figures and percentages included in this Investment Memorandum have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### SUITABILITY OF INVESTMENT

The Notes issued under Series 2018-LL1 may not be a suitable investment for all investors. Each potential investor in the Notes issued under Series 2018-LL1 must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes issued under Series 2018-LL1, the merits and risks of investing in the Notes issued under Series 2018-LL1 and the information contained or incorporated by reference in this Investment Memorandum or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes issued under Series 2018-LL1 and the impact the Notes issued under Series 2018-LL1 will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes issued under Series 2018-LL1, including where the currency for principal or interest payments is different from the potential investor’s preferred currency;
- (iv) understands thoroughly the terms of the Notes issued under Series 2018-LL1 and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes issued under Series 2018-LL1 are legal investments for it and the structure and ownership of the Notes issued under Series 2018-LL1, (2) Notes issued under Series 2018-LL1 can be used as collateral for various types of borrowing, including during an insolvency regime and (3) other restrictions apply to its purchase or pledge of any Notes issued under Series 2018-LL1. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes issued under Series 2018-LL1 under any applicable risk-based capital or similar rules.

### **FORWARD LOOKING STATEMENTS**

This Investment Memorandum may include forward-looking statements. All statements other than statements of historical facts included in this Investment Memorandum, including, without limitation, those regarding the Issuer's financial position and business strategy, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. Some of the factors that could cause the Issuer's actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed under "*Risk Factors*". These forward-looking statements speak only as of the date of this Investment Memorandum. Subject to any applicable laws or regulations, the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.



## **RISK FACTORS**

*In purchasing Notes issued under Series 2018-LL1, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes issued under Series 2018-LL1. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control.*

*The Issuer has identified in this Investment Memorandum a number of factors which could materially adversely affect its business and ability to make payments due.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under Series 2018-LL1 are also described below.*

*The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude or significance of the individual risk. In addition, investors should be aware that the risks described might combine and thus intensify.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under Series 2018-LL1, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes issued under Series 2018-LL1 may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to the Issuer or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Investment Memorandum and reach their own views prior to making any investment decision. An investment in the Notes issued under Series 2018-LL1 is only suitable for investors who are in a position to fully assess the risks relating to such an investment and who have sufficient means to absorb any potential loss stemming therefrom.*

## **GENERAL RISKS**

### **General**

*In this section of the Investment Memorandum references to the "Secured Loan" shall be references to the Loan Agreement and references to the "Conditions" shall be to the Terms and Conditions of the Notes.*

The Issuer is a recently incorporated company and, as such, has no historical trading or financial information. The Issuer has, and will have, no assets other than its issued and paid-up share capital, any proceeds received in connection with the issuance of the Notes issued under Series 2018-LL1 and any proceeds from the Borrower's repayments under the Loan Agreement.

The performance of the Notes issued under Series 2018-LL1 is linked directly and wholly to the performance of each Borrower (and repayments under the Loan Agreement), which may be affected by a large number of factors, many of which are beyond its control. The Issuer is dependent upon each Borrower transacting appropriately in a timely manner to ensure that the due payments are made. There can be no guarantee that a Borrower will be able to transact (i) within a timescale and at a cost level that enables the Issuer to meet its obligations to the Noteholders in full, or at all, or (ii) so as to enable that Borrower to meet its obligations under the Borrower Loan Agreements to which it is party in full or at all.

***Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments.***

Any person who purchases the Notes issued under Series 2018-LL1 is relying on the creditworthiness of the Issuer which, in turn, is reliant on each Borrower making repayments under the Loan Agreement. Noteholders are subject to the risk of a partial or total failure of the Issuer to make payments that the Issuer is obliged to make to the Noteholders. Any failure by a Borrower of funds achieved from the proceeds of Series 2018-LL1 to make due and punctual payment under the Loan Agreement may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes issued under Series 2018-LL1.

***The Issuer's working capital reserves may not be adequate to meet its obligations***

The Issuer intends to maintain working capital reserves to meet its prospective obligations, including operating expenses and administrative expenses. If the Issuer does not have adequate cash reserves to continue its operations investors could suffer substantial losses unless the Issuer is able to secure additional funds. Under such circumstances, the Issuer may need to borrow funds. There is no assurance that such borrowing will be available at all or on terms acceptable to the Issuer or which present no issues for future payments to Investors.

***Risks relating to the limited recourse obligations of the Issuer***

The ability of the Issuer to meet its obligations to pay amounts due under the Series 2018-LL1 Notes and its operating and administrative expenses is solely dependent upon the extent of monies received or recovered by or on behalf of the Issuer. In relation to the Series 2018-LL1 Notes, such monies consist solely of monies received by way of (a) contractual payments on the Secured Loan, and/or (b) any income earned on the Collateral Account, and/or (c) realisations on enforcement or disposal of the assets subject to the Issuer Security.

The Issuer is a special purpose vehicle incorporated solely for the purpose of issuing Notes and lending the proceeds of such note issuances to Borrower and as such will not have any other funds available to it to meet its obligations under the Series 2018-LL1 Notes or any other payments. There is no assurance that there will be sufficient funds to enable the Issuer to make payments (whether of principal or interest) on any Series 2018-LL1 Notes. The Series 2018-LL1 Notes are not guaranteed by any other person, nor is any other recourse available to the Noteholders against any person other than the Issuer for sums owed to them.

***The value of the Secured Loans may not be sufficient, and the Issuer may be unable to realise the full value of the collateral securing its loan portfolio***

The value of the collateral securing the Loan Agreement may significantly fluctuate or decline due to factors beyond the Issuer's control, including factors specific to the Borrower, or macroeconomic factors affecting the UAE, UK, EEA or world economies generally, or force majeure events (such as natural disasters like floods or landslides). Even where the underlying value of the relevant assets is unaffected, realization of such assets if required to be made will give rise to cost, timing and potential recoverability risks which may lead to a shortfall in realisation proceeds as against the underlying asset value, giving rise to a loss to Noteholders.

The Issuer may additionally not have sufficiently recent information on the value of the relevant assets which may result in an inaccurate assessment for impairment of losses secured by that collateral. If this were to occur, the Issuer may need to make additional provisions to cover actual impairment losses of its loans, which may materially and adversely affect its results of operations and financial condition.

***Suitability***

Prospective purchasers of the Notes should ensure that they understand the nature of such Notes and the extent of their exposure to risk, that they have sufficient knowledge, experience

and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in such Notes and that they consider the suitability of such Notes as an investment in the light of their own circumstances and financial condition.

***Limitations of representations and warranties***

Neither the Issuer nor the Trustee nor the Security Trustee nor any other third party has undertaken or will undertake any investigations, searches or other actions as to any Borrower Loan or a Borrower's status, and each will rely instead solely on the warranties given by each Borrower.

**RISKS RELATING TO THE ISSUER**

***Limited resources of the Issuer***

The ability of the Issuer to meet its obligations to pay amounts due under the Series 2018-LL1 Notes and its operating and administrative expenses is solely dependent upon the extent of monies received or recovered by or on behalf of the Issuer. In relation to the Series 2018-LL1 Notes, such monies consist solely of monies received by way of (a) contractual payments on the Secured Loan, and/or (b) any income earned on the Collateral Account, and/or (c) realisations on enforcement or disposal of the assets subject to the Issuer Security.

The Issuer is a special purpose vehicle incorporated solely for the purpose of issuing Notes and lending the proceeds of such note issuances to Borrower and as such will not have any other funds available to it to meet its obligations under the Series 2018-LL1 Notes or any other payments. There is no assurance that there will be sufficient funds to enable the Issuer to make payments (whether of principal or interest) on any Series 2018-LL1 Notes. The Series 2018-LL1 Notes are not guaranteed by any other person, nor is any other recourse available to the Noteholders against any person other than the Issuer for sums owed to them.

***The Issuer's working capital reserves may not be adequate to meet its obligations***

The Issuer intends to maintain working capital reserves to meet its prospective obligations, including operating expenses and administrative expenses. If the Issuer does not have adequate cash reserves to continue its operations Investors could suffer substantial losses unless the Issuer is able to secure additional funds. Under such circumstances, the Issuer may need to borrow funds. There is no assurance that such borrowing will be available at all or on terms acceptable to the Issuer or which present no issues for future payments to Investors.

***The value of the Secured Loans may not be sufficient, and the Issuer may be unable to realise the full value of the collateral securing its loan portfolio***

The value of the collateral securing the Secured Loans may significantly fluctuate or decline due to factors beyond the Issuer's control, including factors specific to the Borrower, or macroeconomic factors affecting the UAE, UK, EEA or world economies generally, or force majeure events (such as natural disasters like floods or landslides). Even where the underlying value of the relevant assets is unaffected, realization of such assets if required to be made will give rise to cost, timing and potential recoverability risks which may lead to a shortfall in realisation proceeds as against the underlying asset value, giving rise to a loss to Noteholders.

The Issuer may additionally not have sufficiently recent information on the value of the relevant assets which may result in an inaccurate assessment for impairment of losses secured by that collateral. If this were to occur, the Issuer may need to make additional provisions to

cover actual impairment losses of its loans, which may materially and adversely affect its results of operations and financial condition.

***Risks relating to the limited recourse obligations of the Issuer***

The Series 2018-LL1 Notes are limited recourse obligations of the Issuer, and recourse under each Series of Notes is limited to the Issuer Security.

The ability of the Issuer to meet its obligations to pay amounts due under the Series 2018-LL1 Notes and its operating and administrative expenses is solely dependent upon the extent of monies received or recovered by or on behalf of the Issuer. In relation to the Series 2018-LL1 Notes, such monies consist solely of monies received by way of (a) contractual payments on the Secured Loan, and/or (b) any income earned on the Collateral Account, and/or (c) realisations on enforcement or disposal of the assets subject to the Issuer Security (together, "**Realised Funds**").

If the Realised Funds are insufficient to make payment in full of all amounts then due in respect of the Series 2018-LL1 Notes, the other assets of the Issuer (including, without limitation, assets securing any other series of notes) will not be available for payment of any shortfall arising therefrom, leading to losses to the Noteholders.

Enforcement or disposal of the assets which are subject to the Issuer Security for the Series 2018-LL1 Notes is the only substantive remedy available for the purposes of recovering amounts owed in respect of the Series 2018-LL1 Notes. If those assets are insufficient to enable the Issuer to meet its liabilities to the Noteholders, there will be a loss to the Noteholders.

***Risks related to the enforcement of Issuer Security***

The Issuer Security will become enforceable in accordance with the Conditions and will be enforced by the Security Trustee if an Event of Default has occurred. A substantial amount of time may elapse between the occurrence of an Event of Default and the payment of the proceeds of enforcement to the Noteholders. Hence there is a risk that proceeds of enforcement will be paid out on a date which falls after the scheduled maturity date set out in the Conditions, and/or will be lower than the estimated redemption amount of the Series 2018-LL1 Notes, resulting in losses to the Noteholders.

The Security Trustee will not be required to take any action that would involve any personal liability or expense without first being indemnified and/or prefunded and/or secured to its satisfaction. If the Security Trustee is not satisfied with its indemnity and/or pre-funding and/or security it may decide not to take such action, without being in breach of its obligations. Noteholders should be prepared to bear the costs associated with any such indemnity and/or pre-funding and/or security and/or the consequences of such inaction by the Security Trustee. Such inaction by the Security Trustee will not entitle the Noteholders to proceed themselves directly against the Issuer.

In respect of the Issuer Security, the rights of Noteholders to be paid amounts due under the Series 2018-LL1 Notes will be subordinated to (i) the fees, costs, expenses and liabilities due and payable to the Security Trustee and Note Trustee including costs incurred in the enforcement of the Issuer Security and the Security Trustee and Note Trustee's remuneration, (ii) amounts owing to the agents under the Transaction Documents, and (iii) any other claims as specified in the Conditions, the Trust Deed and Trust Deed Supplement relating to the relevant Series 2018-LL1 Notes that rank in priority to the claims of Noteholders, which will

include any other claims as specified in the Secured Loan documentation relating to the relevant Secured Loan that ranks in priority to the claims of the Issuer (which latter claims may be significant where the Issuer is not a first-ranking charge-holder and which, if such claims are significant and rank in priority to any claims of the Issuer, may seriously deplete or wipe-out any recoveries due to the Issuer, or delay planned recoveries to an extent where it becomes uneconomic to proceed with such planned recoveries).

### ***Performance risk of Third Parties***

The ability of the Issuer to make payments in respect of the Series 2018-LL1 Notes will depend to a significant extent upon the due performance by the Transaction Parties of their respective services, duties, obligations and undertakings under the Transaction Documents. The performance of such parties of their respective services, duties, obligations and undertakings is dependent on the solvency of each relevant party

## **RISKS RELATING TO THE BORROWERS**

*Set out below is a brief description of the risks specific to the Borrower and the market in which they operate. For the purposes of these risk factors "Secured Loans" means loans which meet the Lease Origination Criteria.*

### ***General risks relating to the Borrowers***

The Issuer is a recently incorporated company and, as such, has no historical trading or financial information. In relation to the Series 2018-LL1 Notes, the Issuer has, and will have, no assets other than its issued and paid-up share capital, any proceeds received in connection with the issuance of the Series 2018-LL1 Notes, the Secured Loan and the Security.

The performance of the Series 2018-LL1 Notes is linked directly and wholly to the performance in future of the Borrower (and of the Secured Loans), which may be affected by a large number of factors, many of which are beyond its control. The Issuer is dependent upon the Borrower locating and transacting appropriately in a timely manner to ensure that the returns due under the Series 2018-LL1 Notes can be paid. There can be no guarantee that the Borrower will be able to transact (i) within a timescale and at a cost level that enables the Issuer to meet its obligations to the Noteholders in full, or (ii) so as to enable the Borrower to meet their obligations under the Secured Loan Agreements in full.

### ***It may not be possible to source sufficient Secured Loans***

Performance by the Issuer of its obligations under the Series 2018-LL1 Notes is dependent on the ability of the Lease Originator to source Secured Loans in a timely manner. Failure to do so, in sufficient amounts or at all, would impact on the ability of the Issuer to make payments of interest and repayments at maturity of principal.

### ***Reliance on the management team of the Borrower***

The Borrower's success depends on the activities of their shareholders, directors, managers and partners, and if one or more of these were unable or unwilling to continue in their position, the business may be disrupted and it might not be possible to find replacements on a timely basis or with the same level of skill and experience. Finding such replacements could be costly which could adversely impact its financial results.

### ***No due diligence relating to the Underlying Leases***

None of the Issuer or the Servicer, their respective Affiliates or any other person other than the Lease Originator has undertaken or will undertake any investigations, searches or other actions to verify the information concerning the assets securing the underlying leases or to establish the credit worthiness of any Borrower, and has not taken legal advice on the agreements and other documents evidencing the assets securing the Secured Loans. The Issuer will rely solely on representations and warranties given by the Lease Originator in respect of the compliance of the relevant assets with Lease Origination Criteria. These representations and warranties will not cover all relevant matters in relation to the underlying leases or the assets on which they are secured.

### ***Default by the Borrower***

The Issuer will fund payments on the Series 2018-LL1 Notes from payments received from the Borrower pursuant to the Secured Loans. If the Borrower becomes insolvent or otherwise fail to make payments when due under the Secured Loans, the Issuer may not be able to make payment of interest, principal or any other amounts due on or in connection with the Series 2018-LL1 Notes on a timely basis or at all. In addition, there are no limits on the amount which may be owed by a single Borrower. Consequently, the Borrower which are obligors under a material amount of Secured Loans, this could have an increased negative effect on the ability of the Issuer to make payments on the Series 2018-LL1 Notes.

### ***No past performance data***

The Issuer will be reliant on payments received from the Borrower in order to make payments on the Series 2018-LL1 Notes. If the Borrower does not make payments when due under the Secured Loans, the Issuer may not be able to make payments on the Series 2018-LL1 Notes when due, or at all. There is no data available in relation to the past performance of receivables of the types which will constitute Secured Loans.

### ***Liquidity***

The assets of the Borrower will consist principally of leased equipment. The ability to buy or sell assets at any time may be limited. There is no assurance that any amount of assets can be bought or sold at the desired prices or in the desired quantities. In the absence of a liquid market, Noteholders should be aware of the redemption policy and the redemption provisions.

### ***Further Debt and Related Transactions***

There can be no assurance that the Issuer will not issue further debt or enter into other banking arrangements and facilities which will rank pari passu or senior to the Secured Notes.

### ***Governmental risk***

There can be no assurance that the actions of the current or future government or other public authority of the United Arab Emirates or any other jurisdiction in which the Borrower operates its business will not change and consequently fundamentally affect the Borrower's ability to carry on its business of leasing assets and further to generate the revenue required to make repayments to the Issuer under the Loan Agreement.

There can be no assurance that the actions of the Central Bank of the United Arab Emirates or any other central bank in a jurisdiction in which the Borrower operates its business will not change the law, policy or the regulatory framework affecting the Borrower and consequently fundamentally affect the Borrower's ability to carry on its business of leasing assets and further to generate the revenue required to make repayments to the Issuer under the Loan Agreement

### ***Change of Law***

The structure of the issue of the Secured Notes is based on law and administrative practice in effect and at the date of this Investment Memorandum. No assurance can be given as to the impact of any possible change to the law or administrative practice after the date of this Investment Memorandum.

## TRANSACTION PARTIES

<b>Issuer</b>	Linklease Finance PLC, a public limited company incorporated and registered in England and Wales with registered number 11663405 whose registered office is at 35 Great St Helen's, London, EC3A 6AP
<b>Servicer / Lease Originator</b>	Link Lease Equipment Rental LLC, a company incorporated in the UAE with company number 722592 and having its registered address at Suite 2004, Single Business Tower, Business Bay, Dubai, UAE, PO Box 213302
<b>Borrower</b>	<p>Mercury Equipment Rental LLC, a company with limited liability organised under the laws of the United Arab Emirates with company number 819181 and registered office at Office 102, Plot 247-394, Tasaheel Building, Amman Street, Al Qusais PO Box 88533 Dubai, United Arab Emirates;</p> <p>Mercury Car Rental LLC, a company with limited liability organised under the laws of the United Arab Emirates with company number 822765 and registered office at Office 102, Plot 247-394, Tasaheel Building, Amman Street, Al Qusais PO Box 88533 Dubai, United Arab Emirates</p>
<b>Note Trustee and Security Trustee</b>	Woodside Corporate Services Limited, a private limited company incorporated under the laws of England and Wales with registered number 06171085 and with registered office at 4 <sup>th</sup> Floor, 50 Mark Lane, London EC3R 7QR will: (i) act as note trustee for and on behalf of the noteholders of the Programme (the " <b>Note Trustee</b> ") pursuant to a trust deed dated on or around 19 December 2018 between the Issuer and the Note Trustee (the " <b>Trust Deed</b> ") and a supplemental trust deed (the " <b>Supplemental Trust Deed</b> ") to be entered into on or about the date of this Investment Memorandum between the Note Trustee and the Issuer; (ii) act as security trustee (the " <b>Security Trustee</b> ") and hold on trust for itself and the other Issuer Secured Creditors the security granted by the Issuer pursuant to the Issuer Deed of Charge entered into on or about the date of this Investment Memorandum between the Issuer and the Security Trustee (the " <b>Issuer Deed of Charge</b> ").
<b>Transfer Agent, Registrar and Paying Agent</b>	Avenir Registrars Limited, a limited company incorporated and registered in England and Wales with registered company number 09009850 whose registered office is at 5 St. John's Lane London EC1M 4BH will act as transfer agent, registrar and paying agent pursuant to the Agency Agreement.
<b>Share Trustee</b>	Intertrust Corporate Services Limited will act as share trustee (the " <b>Share Trustee</b> ") pursuant to a corporate services agreement to be entered into on the closing date between inter alia the Issuer and the Share Trustee. The Issuer reserves the right (with the prior approval of the Share Trustee) at any time to vary or terminate the appointment of the Share Trustee and to appoint a successor share trustee.



<p><b>Corporate Services Provider</b></p>	<p>Intertrust Management Limited will act as corporate services provider (the "<b>Corporate Services Provider</b>") pursuant to a corporate services agreement to be entered into on the closing date between inter alia the Issuer and the Corporate Services Provider. The Issuer reserves the right (with the prior approval of the Corporate Services Provider) at any time to vary or terminate the appointment of the Corporate Services Provider and to appoint a successor corporate services provider.</p>
<p><b>Calculation Agent</b></p>	<p>Zenzic Partners Limited, whose registered address is at Brompton Place, 161 Brompton Road, London, SW3 1QP will act as calculation agent (the "<b>Calculation Agent</b>") pursuant to a calculation agency agreement (the "<b>Calculation Agency Services Agreement</b>") to be entered into on the closing date between inter alia the Issuer and the Calculation Agent. The Calculation Agent, in relation to any determination or calculation specified in the Conditions of the Notes or the Loan Agreement, will act as calculation agent of the Issuer for the purpose of making such determinations or calculations in accordance with the Conditions and the Loan Agreement.</p>
<p><b>Promoter</b></p>	<p>Stagshead Distribution Limited (the "<b>Promoter</b>") whose registered office is at Louca &amp; Co, The Carriage House, Mill Street, Maidstone, Kent, ME15 6YE pursuant to a distribution agreement between the Issuer and the Promoter (the "<b>Distribution Agreement</b>"). The Promoter will act as promoter pursuant to the Distribution Agreement.</p>

## TRANSACTION STRUCTURE

Under the Programme, the Issuer will, from time to time, issue Notes in Series and will use the proceeds, less certain costs and expenses, to advance loans (each a “**Loan**” and, together, the “**Loans**”) to borrowers (each a “**Borrower**” and, together, the “**Borrowers**”) with each Loan being made pursuant to an English law loan agreement (the “**Loan Agreement**”).

It is intended that the Borrowers then use the proceeds of the Loans to acquire and lease assets to third-parties in accordance with the Lease Origination Criteria (as defined below). It is intended that the Borrowers then repay principal and interest in accordance with the terms of the relevant Loan Agreement using the profits derived from its respective business.

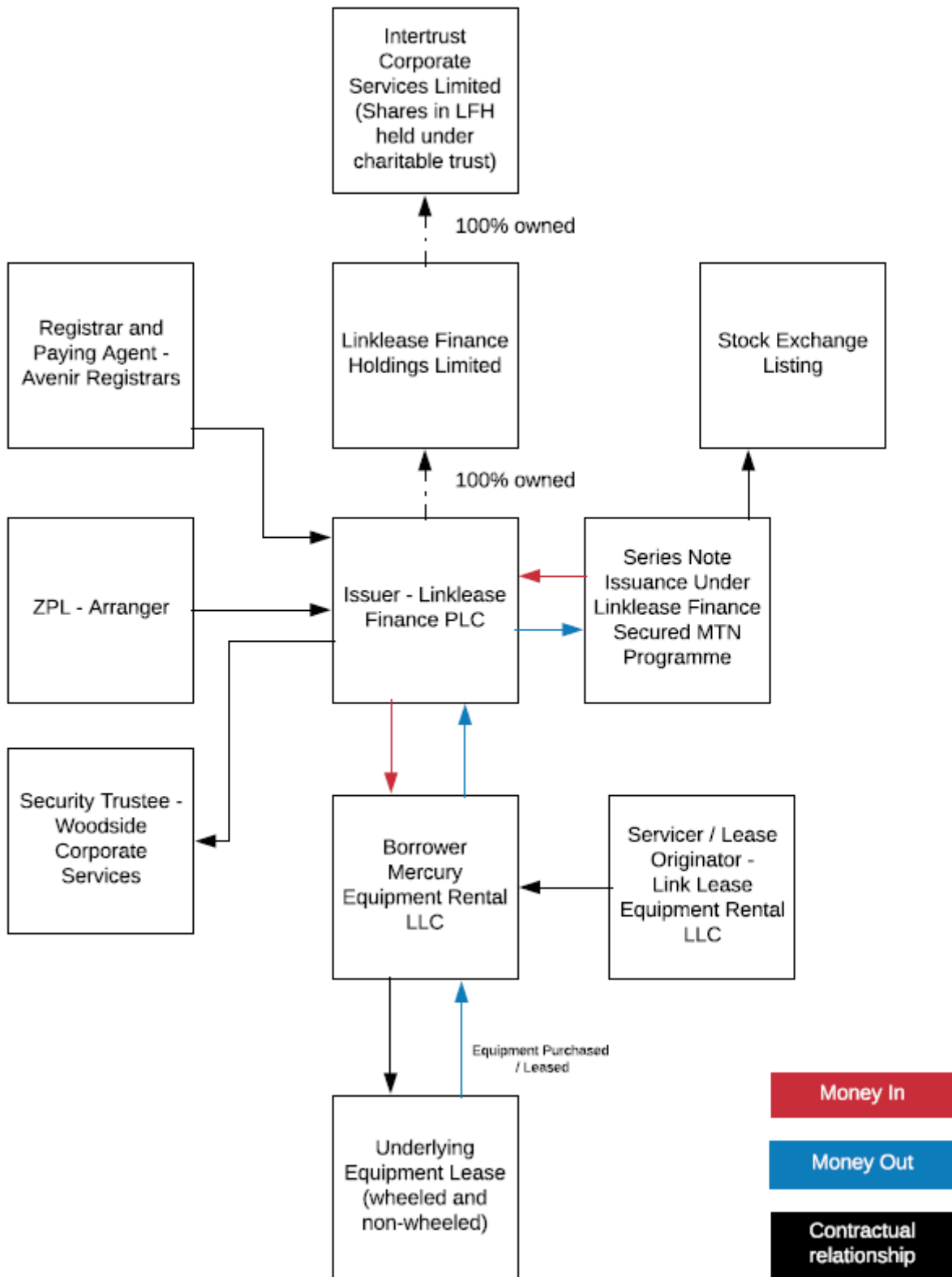
The origination of leases of assets to third parties is summarised as follows:

Step 1	Introduction. New lease transactions are referred to the Lease Originator directly, by introducers, professional advisors, asset distributors or from additional industry contacts	The Lease Originator conducts an initial assessment of the lease proposal relative to the origination criteria. Transactions which do not initially pass the origination criteria are rejected.
Step 2	Due diligence	The Lease Originator undertakes due diligence on the lease proposal both with respect to the Lessee and the Leased Assets. Further consideration is given to the origination criteria and papers are developed for discussion at Investment Committee.
Step 3	Investment Committee	A formal submission is presented to the Investment Committee. The proposed lease requires the unanimous approval of the Investment Committee. The Investment Committee will review the proposed lease from a number of perspectives and may attach additional condition or terms outside of those initially proposed to it.
Step 4	Transaction Execution	Following approval of the transaction by Investment Committee, lease documents will be prepared for execution by the Lessee. Concurrently activities will be undertaken to acquire the asset that is to be leased. Once conditions precedent and any security are completed, the leased asset will be provided to the Lessee.

The Issuer’s obligations under the Notes issued under Series 2018-LL1 are secured in the manner described below under “*Issuer Security Structure*”.

**Investment Structure**

An indicative diagram of the investment structure is as follows:



### ***Transaction Structure***

Following an issue of Notes under the Series 2018-LL1 the net proceeds for such issue are sent to the Account Bank, and secured under the relevant Issuer Deed of Charge; the Issuer's fees, costs and expenses are then settled by or on behalf of the Issuer using the proceeds of any subscription of the Notes with the remainder advanced to the Borrower to fund its business.

For the avoidance of doubt, all investment proceeds, whether actually advanced to a Borrower or used in settlement of fees or any other liability of the Issuer, shall be treated as if they are monies borrowed by the Borrowers under the Loan Agreement and shall accrue interest as such under the terms of the Loan Agreement.

One per cent of all amounts utilised under the Loan Agreement (the "**Liquidity Reserve**") shall be retained by the Issuer and held in the Issuer Reserve Account, which is secured under the Issuer Deed of Charge in favour of the Security Trustee on behalf of the Noteholders.

In order to facilitate the issue of the Notes and the Liquidity Reserve, the Issuer shall maintain a Collection Account, a Transaction Account, an Issuer Reserve Account and, in the case of a rated Series of Notes, a Collateral Account, in each case in the same currency as the Series at the Account Bank.

### ***The Calculation Agent***

The Calculation Agent is appointed pursuant to the terms of the Calculation Agency Services Agreement to administer payments on behalf of the Issuer.

Under the terms of the Calculation Agency Services Agreement, the Issuer indemnifies the Calculation Agent against losses, liabilities, costs, claims, actions, demands and expenses incurred by it in carrying out its obligations under the terms of the Calculation Agency Services Agreement in good faith.

Under the terms of the Calculation Agency Services Agreement, the Calculation Agent indemnifies the Issuer against losses, liabilities, costs, claims, actions, demands and expenses incurred by it as a result of a breach of the Calculation Agency Services Agreement or where the Calculation Agent causes losses, liabilities, costs, claims, actions, demands and expenses as a result of its default, fraud, negligence or bad faith (or that of its officers, directors, or employees).

The Calculation Agency Services Agreement is governed by English law and the courts of England and Wales have jurisdiction over any claims or action taken in respect of it.

### ***The Lease Originator***

Link Lease Equipment Rental LLC has been appointed by the Issuer to act as the lease originator (the "**Lease Originator**") and, under the terms of the Lease Origination Agreement, will identify assets for purchase and leasing to third parties by each of the Borrowers.

### ***Lease Origination Criteria***

Each lease entered in to by a Borrower must be on terms which meet the following Lease Origination Criteria (as defined in the Lease Origination Agreement):

1. it is an obligation to the extent that title over the assets may be held by the Borrower and is permissible under applicable law and such security is granted under English law or the law of the jurisdiction where that asset is located (an "**Operating Lease**");
2. it is an obligation in respect of which:

- 2.1 payments will not be subject to withholding tax imposed by any jurisdiction including where this is pursuant to the operation of an applicable tax treaty subject to the completeness of any procedural formalities; or
- 2.2 the obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis;
3. it is an obligation that a rental payment is made no less frequently than quarterly at a rate which, when aggregated with all other End-user Leases on a rolling 12 month basis, produces funds to the Issuer sufficient to service any payments due and payable on the Notes;
4. it is not an obligation in respect of which rental payments are scheduled to decrease;
5. it is not convertible into equity;
6. it is and will be, where the leased Asset is capable of being so, registered locally so that it may fall under the fixed or floating charge taken by the issuer over the shares of the Borrower.
7. it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those:
  - 7.1 which may arise at its option; or
  - 7.2 which are fully secured; or
  - 7.3 which are subject to limited recourse provisions; or
  - 7.4 which may arise as a result of an undertaking to participate in a financial restructuring of an Operating Lease where such undertaking is contingent upon the redemption in full of such Secured Lease on or before the time by which the Issuer is obliged to enter into the restructured Operating Lease and where the restructured Operating Lease satisfies the Lease Origination Criteria; and
8. it has a maturity that is not later than the latest Maturity Date of the relevant Series;
9. it complies with the issuance documents.

### ***Operating Lease Criteria***

The Borrowers, pursuant to the services provided by the Servicer and Lease Originator, intend to operate their business of leasing assets in accordance with the below criteria:

<b>Nature of Investment</b>	The Borrower invests in business-critical, revenue-producing (or cost-saving) equipment with long economic life relative to the investment term.
<b>Type of Investment</b>	The Borrower provides asset financing by way of equipment leases, specifically operating leases. It is intended that each investment made by the Borrower will generate returns through a combination of cash flow over the investment term and through the residual value of the equipment.
<b>Participation Focus</b>	When available, the Borrower targets investments in the specialist medium-term segment of the leasing market where assets provide cash flow during the base term of the leases as well as offering the potential for additional proceeds through lease extensions or sales at

	<p>the end of the lease.</p> <p>The Borrower does not intend to invest in the large single asset segment of the leasing market, such as vessels or aircraft leasing, or the high volume, low margin segment of the leasing market, such as photocopier and personal computer leasing, or the opportunistic high margin single asset leasing market such as construction equipment, although it may do so, from time to time, if appropriate opportunities are identified in these segments.</p>
<b>Industries</b>	<p>The Borrower may invest in assets in any industry, however certain industries are more likely to suited to equipment leasing than others. The Borrower generally expects to be invested in such industries where it sees the potential to make the most attractive risk-adjusted returns which currently include, but are not limited to: Energy, Healthcare, Logistics, Manufacturing and Transportation.</p>
<b>Equipment Type</b>	<p>The Borrower may invest, without restriction, in a broad range of equipment either new or pre-owned. It strongly favours equipment which is of low technological obsolescence, widely utilised across countries and industries, where the future value is predictable and where an active secondary market can be identified and disposal channels located.</p>
<b>Investment Size</b>	<p>The Borrower targets transaction sizes below AED 5M but, generally, the average transaction size is expected to be AED 0.5M to AED 3M, although it may fluctuate based on the market opportunities and portfolio composition that the Borrower believes will best achieve its investment objectives.</p>
<b>Lease Term</b>	<p>Whilst there is no minimum lease term, it is typical for the initial lease term to be 2 to 5 years depending on the asset. Where appropriate, however, the term of the lease may vary significantly from this range reflecting the opportunities available and the needs of the lessee.</p>
<b>Equipment Ownership</b>	<p>It is intended that the Borrower will primarily acquire assets directly and function as the lessor under equipment lease contracts. In such situations, the Borrower will own all rights, title, and interest in and to the assets and will lease them, or otherwise make them available, to the end-user.</p>
<b>Product Structure</b>	<p>The assets held by the Borrower will generally be leased to a third party and will be subject to an operating lease. Operating leases provide for a return of capital and income during the lease term with an opportunity for additional realisation from the residual value after the initial lease term.</p> <p>The Borrower will generally seek to enter into lease arrangements that require the lessee to bear all maintenance, insurance, tax and other costs related to the lease or the operation of the underlying</p>

	asset(s). Generally, as a result, the Borrower will not be required to undertake maintenance on assets but reserves the right to do so on an exceptional basis.
<b>Geography</b>	Investments will primarily be made in the United Arab Emirates which is expected to represent at least 75% of the portfolio. The Borrower may also invest in assets and equipment located or subject to law in other countries, regions, or jurisdictions where it believes it can adequately secure its interest in assets and equipment whilst achieving an appropriate risk-adjusted return consistent with the rest of the portfolio.
<b>Diversification</b>	<p>The Borrower seeks to make investment decisions that contribute towards achieving a diversified portfolio of risks across a number of attributes. Diversification is difficult to achieve whilst portfolios are being built and therefore meaningful diversification targets are only realistic once the size of the invested portfolio is greater than 60% of the targeted fully invested portfolio. Targeted diversification metrics are as follows:</p> <p>Maximum by asset: 2.5%</p> <p>Maximum by asset class: 10%</p> <p>Maximum by corporation or group: 10%</p> <p>Maximum by industry: 25%</p>

### ***The Servicer***

The Servicer is regulated by the Dubai Department of Economic Development as an equipment rental company.

Under the terms of the Servicer Agreement, the Servicer is appointed to manage on behalf of the Borrowers the leases entered in to with third parties.

Under the terms of the Servicer Agreement, the Servicer is obliged to keep, maintain and provide to the Issuer and Security Trustee (on a quarterly basis and when reasonably requested by the same) records in relation to the leases and the assets, on a lease by lease basis, for the purposes of identifying amounts paid by each lessee, any amount due from a lessee, the arrears balances and future contractual payments, along with the carrying values of the assets of each lease and such other records as would be kept by a reasonable servicer in the circumstances.

The liability of the Servicer is limited to those circumstances where a loss is suffered which is attributable to the Servicer's own act or omission which is fraudulent, grossly negligent, or where that act or omission falls below the standard of care reasonably expected of a servicer in all the circumstances.

The Servicer's appointment may be terminated if a Servicer Termination Event (as defined in the Servicing Agreement) occurs. Servicer Termination Events include:

1. the Servicer commits a material breach of the Servicing Agreement;

2. the Servicer breaches any representation or warranty contained in the Servicing Agreement;
3. the Servicer becomes insolvent; or
4. the Servicing Agreement is held by a court of competent jurisdiction to be unlawful or invalid.

The Servicer may delegate or assign its rights or obligations to any third party with the prior written consent of the Issuer and the Security Trustee.

### ***Experience of the Servicer/Lease Originator***

Link Lease Equipment Rental LLC has been appointed by the Issuer to act as the lease servicer (the "**Servicer**"). The Servicer is an operating lease company formed in 2014 to provide an affordable way of companies acquiring, over time, equipment. Operating in defensive sectors, the Servicer is growing and requires access to additional funding, through a strategic route. The Lease Originator/Servicer was incorporated in UAE (registered number 722592) on 8 October 2014 as a Limited Liability Company. The authorised share capital of the Servicer is 300 shares of 1000 Dirhams each. All of the issued shares are full paid and are in the ownership of (i) World Wide Group of Ahmed Ghanem Ahli Companies (51%) and (ii) Linklease Ltd (49%).

### ***Business model and background***

Operating leases are considered a commercial transaction in the UAE, as opposed to finance leases which are a financial service. This means that the Servicer is governed and regulated by the Dubai Department of Economic Development as an equipment rental company. It holds licence number 722592, which allows it to lease a broad range of equipment including but not limited to:

Logistics; Buses, Trucks, Trailers, Tippers, Forklifts, Materials Handling Equipment etc.

Manufacturing; Bottling Lines, Moulding Systems, Packaging Units, Machine Tools etc.

Printing; Industrial Printers, Cutting Machines, Lamination Units, Folding Machines etc.

Healthcare; MRI, X-Ray and Ultrasound Machines, Dental and Ophthalmic Equipment etc.

Construction; Loaders, Excavators, Graders, Dozers, Cranes, Pilings Rigs, Pipe layers etc.

### ***Management Team***

#### ***Steve Williams – CEO***

Steve is a seasoned business and finance leader with over 25 years of proven regional and international experience. Prior to founding the Servicer, Steve was the Group Chief Executive Officer of Gulf Finance; a leading SME financing organisation. His success in repositioning the business to deliver strong growth results and rapid GCC expansion was consistently recognised by the industry with Gulf Finance winning the prestigious Banker Middle East Award for Small Business Finance for three consecutive years. In 2013, Steve was also independently voted as one of the Top 50 Influential Brits in the UAE by Arabian Business.

Prior to joining Gulf Finance, between 2004 and 2008, Steve was based in Dubai with Lloyds TSB. As Chief Operating Officer, he was also an appointed Board Member and earlier, joined the organisation as its Head of Commercial and Retail Banking. During these four years, Steve



grew the consumer banking business from a single branch to a highly profitable, multi-branch operation across the Middle East. Before relocating to Dubai, Steve led the Strategy team for the Corporate Banking division of LloydsTSB's UK business, and he initially joined the organisation in 1989. Steve is currently a Director of a Dubai-based research firm and the former Director of Business Development for the British Business Group. He was also the Contributing Editor for a nationally acclaimed book, Sink or Swim, which explores the lessons learnt from businesses that survived the UAE economic downturn in 2009.

Steve holds Finance and Accounting qualifications from the prestigious Stanford Graduate School of Business.

### ***Mathew Kuban - Strategy and Risk Director***

Before joining the Servicer as its Strategy and Risk Director, Mathew was a member of Gulf Finance's Executive Committee as its Head of Credit and Strategy. In this senior position, Mathew played a critical role in driving Gulf Finance's strategic expansion into Saudi Arabia through his specialist expertise in underwriting, risk modeling and new product development. Mathew joined Gulf Finance in 2010 as its Head of Credit where he built a specialist credit team to ensure the successful delivery of multi-million \$USD loans across multiple product lines within the UAE and Saudi Arabia.

Earlier, Mathew worked for GE Capital in Canada. As an Account Manager, he advised key clients on alternative business models, company re-evaluation options, capital expenditure, and other critical financial and strategic issues. Prior to that, Mathew undertook a variety of roles with well-known Canadian businesses including Rogers Wireless Telecommunications and TD Canada Trust. These roles included leading auditing teams, rehauling internal auditing systems and processes to align with global best practices, and advising high-net-worth individuals.

Mathew has a Master of Business Administration (MBA) from York University's Schulich School of Business in Canada.

### ***Edward Allely - Operations Director***

As the Servicer's Operations Director, Edward brings over 17 years of senior financial services experience across the Middle East and Europe to the role.

Edward joined the Servicer after undertaking strategic advisory engagements in the Middle East and Western Europe for early-stage businesses seeking to transform the financial services sector. Prior to that, Edward was Chief Executive Officer of Gulf Finance UAE. In this role, he successfully spearheaded a loan portfolio increase and significant growth in net operating income. Edward joined Gulf Finance in 2008 as its Director of Strategy and during his five year tenure with the organisation, oversaw numerous multi-million \$USD transactions across a broad range of industries and financing structures. Earlier, Edward was based in the UK where he was the Head of Strategy and Planning for Barclays Bank's UK secured lending business which included multi-billion \$USD assets. He also spent six years working for Lloyds TSB Bank including in his last position as the Head of Strategy and Planning for its General Insurance division.

Edward holds a Masters of Engineering from Durham University in the UK.

## **The Promoter**

The Promoter is appointed under the terms of the Distribution Agreement on an exclusive basis to be the promoter and distributor of the Notes.

The Promoter will be solely responsible for dealing with potential investors in the Notes on behalf of the Issuer.

In order that a potential investor may assess the suitability of an investment in the Notes, the Promoter may make available to a potential investor such information provided to it by the Issuer; including, with the permission the Issuer, the quarterly reports on the performance of the Assets purchased and leased by the Borrowers, as provided to the Issuer by the Servicer under the terms of the Servicing Agreement.

## **Security Structure**

### ***General***

The Loan Agreement is secured in favour of the Security Agent for the benefit of the Issuer pursuant to:

1. share pledges, granted by all the holders of the issued share capital of each Borrower;
2. bank account pledges, securing all bank accounts of each Borrower; and
3. mortgages over the assets purchased by the Borrowers using the proceeds of the Loan Agreement (granted on an ad-hoc basis).

The benefit of this security is, in turn, an asset secured by the Issuer in favour of the Security Trustee, who holds it on behalf of the Noteholders. The Noteholders, therefore, have a secured relationship with the underlying assets purchased and leased by the Borrowers.

### ***Issuer Security Structure***

Under individual deeds of charge to be dated on or about the date of each Series (each, an “**Issuer Deed of Charge**”) between, amongst others, the Issuer and the Security Trustee, the obligations of the Issuer under the Notes and the Transaction Documents will be secured in favour of the Security Trustee (for the benefit of the Noteholders and certain other secured creditors of the Issuer (the “**Issuer Secured Creditors**”)) by fixed first priority security over the Issuer’s rights in respect of the Borrower Loans, the Transaction Documents (to the extent that they relate to a Series) and the Borrower Security made with the proceeds of such Series (the “**Issuer Security**”).

Once the Issuer Security is granted and perfected in favour of the Security Trustee for the benefit of the Issuer Secured Creditors, the rights of the Noteholders and the other Issuer Secured Creditors to the Issuer Security rank first in priority to other unsecured creditors in the event of a default or an insolvency or insolvency related event of the Issuer.

The Issuer Security is governed by English law and the relevant parties have agreed that the court of England and Wales shall have jurisdiction in relation to any proceedings taken in relation to it.

### ***Security Trust Deed***

Pursuant to the terms of the Security Trust Deed, the Security Trustee holds the benefit of the Issuer Security created by or pursuant to the Issuer Deed of Charge for the benefit of the Issuer Secured Creditors upon and subject to the terms of Issuer Deed of Charge.

The Security Trustee Deed contains industry-standard representations and warranties to be given by the Security Trustee and the Issuer to the Issuer Secured Creditors on each day until the applicable Notes are redeemed in full. These Representations and warranties include that the Issuer and Security Trustee:

1. are validly incorporated and existing under the laws of their incorporation jurisdiction;
2. have the power to enter in to and deliver the Security Trust Deed and that no conflict with any applicable law or article of their respective constitutions prevents the performance of obligations under it; and
3. are not currently involved in any litigation, arbitration or administration, and are not aware of the same being threatened.

The Issuer covenants with the Security Trustee that it will not:

1. create or allow to subsist any encumbrance or security interest over its assets and undertaking;
2. engage in any activity which is not reasonably incidental to the issuance of the Notes or necessary to give full effect to the Transaction Documents;
3. have any subsidiaries, employees or premises;
4. dispose of any asset or any right therein;
5. pay an dividend or make any other distribution to its shareholders;
6. incur any financial indebtedness beyond that contemplated by the Transaction Documents;
7. merge with any other person or convey its property or assets substantially as an entirety to any other person;
8. permit any of the Transaction Documents to become invalid or ineffective or to allow the priority of the Issuer Security to be altered; or
9. have any interest in any bank account other than the Collection Account, a Transaction Account, an Issuer Reserve Account and, in the case of a rated Series of Notes, a Collateral Account.

The Security Trust Deed contains restrictions on the Issuer's as follows:

1. the Issuer must take receipt of funds repaid to it under the terms of the Loan Agreement in to an account which is secured in favour of the Security Trustee; and
2. the Issuer may not make a payment, transfer or withdrawal from its bank accounts (other than expressly permitted by the Transaction Documents) without the prior written consent of the Security Trustee.

The Security Trustee Deed contains restrictions on certain rights of the Issuer Secured Creditors, these restrictions include:

1. only the Security Trustee may enforce the Issuer Security;
2. no Issuer Secured Creditor will take any step or proceedings for the winding-up, dissolution, court protection, examinership, reorganisation, liquidation, bankruptcy, or insolvency of the Issuer or for the appointment of an administrator, manager, receiver,

receiver/manager, administrative receiver, trustee, liquidator, examiner, sequestrator, or similar officer in respect of the Issuer or any of its assets; and

3. no Issuer Secured Creditor will take any enforcement steps or enforcement action against the Issuer or any of its assets for the purposes of recovering any of the Issuer's secured obligations.

The Security Trust Deed incorporates various terms from the Trust Deed, including clause 10 (*Investment by Trustee*), clause 13 (*Remuneration and indemnification of the Note Trustee*), clause 14 (*Supplement to Trustee Acts*), clause 15 (*Trustee's liability*); clause 16 (*Trustee contracting with the Issuer and other Transaction parties*), clause 17.3 (*Consent*), clause 20 (*Currency indemnity*), clause 21 (*New and additional Trustees*), clause 22 (*Trustee's retirement and removal*), and clause 23 (*Trustee's powers to be additional*).

The Security Trust Deed is governed by English law and the Courts of England and Wales have exclusive jurisdiction in respect of any proceedings arising out of it.

### ***Borrower Security Structure***

The obligations of the Borrowers in respect of the loan from the Issuer will be secured in favour of the Issuer by local law security in the UAE and cover the property and assets of each Borrower (the “**Borrower Security**”) including:

1. a pledge over each Borrower's bank accounts;
2. a pledge over each Borrower's issued share capital; and
3. mortgages over the assets owned and leased to third parties;

(each, a “**Borrower Security Document**”).

Each Borrower Security Document will contain representations and warranties from the Borrower to the Issuer customary for the UAE market, including, without limitation, representations and warranties as to the ownership by the Borrower of its property, that such property is free from other security, that there are no adverse claims against such that property, that the Borrower has complied with all relevant laws in any material respect in respect of those assets and that the security being granted under the Borrower Security Document is enforceable subject to standard UAE law principles.

Each Borrower Security Document is governed by the laws of the Emirate of Dubai and applicable federal laws of the UAE.

As is custom and practice in the UAE, the Borrower Security Documents create security in favour of the Security Agent for the benefit of the Issuer (as the secured party). Abu Dhabi Commercial Bank PJSC has been appointed as the local security agent in respect of the Borrower Security Documents and is an experienced and recognised security agent as regards secured assets in the UAE.

### **Priority of Payments**

#### ***Post-Enforcement Priority of Payments***

If the Borrower fails to repay in accordance with the terms of that Borrower Loan, and there is a Borrower default, the Borrower Security is enforced and the proceeds used to repay, as far as possible, the Borrower Loan.

Following the service of an Acceleration Notice (as defined in the Loan Agreement), the Security Trustee will apply all monies and receipts received by the Issuer and/or the Security

Trustee or a receiver appointed by it (whether of principal or interest or otherwise) in the manner and order of priority set out below under the Post-Enforcement Priority of Payments (in each case only if and to the extent that payments provisions of a higher priority have been made in full and in each case together with (if payable and due under the relevant document) VAT thereon):

First, in or towards satisfaction on a pro rata and pari passu basis, according to the respective amounts thereof, of the costs, expenses, fees or other remuneration and indemnity payments (if any), including any VAT, payable to the Trustee, any Trustee Appointee, the Security Trustee, any Receiver or any other Security Appointee and any costs, charges, expenses or other Liabilities incurred by the Trustee, any Trustee Appointee, the Security Trustee, any Receiver or any other Security Appointee pursuant to the Transaction Documents;

Second, to pay on a pro rata and pari passu basis any due and payable costs, expenses, fees or other remuneration and indemnity payments (if any), including any VAT, payable in respect thereof to the Agents in accordance with the Agency Agreement or any other Transaction Document;

Third, in or towards satisfaction on a pro rata and pari passu basis, according to the respective amounts thereof, of the amounts (including, but not limited to, the legal fees, all auditors' fees, anticipated winding-up costs of the Issuer, fees due to the stock exchange where the Notes are then listed, fees due to rating agencies and company secretarial expenses), which are payable by the Issuer to third parties under obligations incurred in the ordinary course of the Issuer's business and incurred without breach by the Issuer of the Trust Deed or the Issuer Security Documents and not provided for payment elsewhere in this Post-Enforcement Priority of Payments, and to provide for any such amounts expected to become due and payable by the Issuer after any payment date;

Fourth, in or towards satisfaction on a pro rata and pari passu basis, according to the respective amounts thereof, of (i) all amounts due to the Corporate Services Provider under the Corporate Services Agreement, (ii) fees and expenses of the directors of the Issuer and any advisers appointed by them, if any, (iii) all amounts due to the Servicer under the Servicer Agreement, (iv) all amounts due to the Account Bank; and

Fifth, in or towards satisfaction of all unpaid interest and principal due to the Noteholders.

Sixthly, the surplus, if any, to the Issuer or other persons entitled thereto.

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## TERMS AND CONDITIONS OF THE NOTES

The Notes are constituted by the Trust Deed.

### *Terms and Conditions of the Notes*

The terms and conditions which, as completed by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme are set out below. Subject to this, to the extent permitted by applicable law and/or regulation, the Pricing Supplement in respect of any Tranche of Notes may complete any information in this Listing Particulars.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

#### 1. **Introduction**

- (a) **Programme:** Linklease Finance plc (the "**Issuer**") has established a Secured Medium Term Note Programme (the "**Programme**") for the issuance of notes (the "**Notes**").
- (b) **Pricing Supplement:** Notes issued under the Programme are issued in Series (as defined below) and each Series may comprise one or more Tranches (as defined below) of Notes. Each Tranche is the subject of a Pricing Supplement (the "**Pricing Supplement**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.
- (c) **Trust Deed:** The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 19 December 2018 (as modified, supplemented and/or restated from time to time, the "**Trust Deed**") between the Issuer and Woodside Corporate Services Limited as trustee for the Noteholders (as defined below) (the "**Note Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) **Security Trust Deed:** The Notes have the benefit of, a security trust deed dated 19 December 2018 (as modified, supplemented and/or restated from time to time, the "**Security Trust Deed**") between the Issuer and Woodside Corporate Services Limited as security trustee for the Issuer Secured Creditors (as defined below) (the "**Security Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Security Trust Deed).
- (e) **Issuer Deed of Charge:** Under a deed of charge dated on or about the Issue Date of each Series between the Issuer and the Security Trustee (as modified, supplemented and/or restated amended or supplemented from time to time, the "**Issuer Deed of Charge**"), the obligations of the Issuer under the Notes of a Series and under any Transaction Document (in respect of that Series) will be secured in favour of the Security Trustee (for the benefit of the Note Trustee, the Noteholders and the other Issuer Secured Creditors) by a fixed charge over all of its rights in respect of each

Transaction Document, each Borrower Lease Agreement and each Borrower Security Document in respect of that Series.

- (f) **Agency Agreement:** The Notes are the subject of issue and paying agency agreements dated 19 December 2018 (as modified, supplemented and/or restated amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Avenir Registrars Limited as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), Avenir Registrars Limited as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), Zenic Partners Limited as calculation agent (the "**Calculation Agent**", which expression includes any successor calculation agent appointed from time to time in connection with the Notes) any other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), any transfer agents named therein (the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and the Security Trustee.
- (g) **Servicing Agreement:** The Leases are the subject of a Servicing Agreement (as modified, supplemented and/or restated from time to time, the "**Servicing Agreement**") dated 19 December 2018 and made between the Issuer, the Servicer, the Borrower, the Note Trustee and the Security Trustee.
- (h) **Lease Origination Agreement:** Link Lease Equipment Rental LLC has been appointed as lease originator (the "**Lease Originator**") in accordance with the terms of the Lease Origination Agreement dated 19 December 2018 made between the Issuer, the Lease Originator, the Borrower, the Note Trustee and the Security Trustee (the "**Lease Origination Agreement**"), pursuant to which it will, inter alia, originate the Borrower Leases and agree and settle the form of Borrower Lease Agreements and Borrower Security Documents.
- (i) **The Notes:** The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**") as specified in the relevant Pricing Supplement. All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing at the Specified Office of the Principal Paying Agent.
- (j) **Security Trustee:** The Security Trustee acts for the benefit of the Note Trustee and the holders for the time being of the Notes (the "**Noteholders**", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the related interest coupons (the "**Couponholders**" (which expression shall, unless the context otherwise requires, include the holders of the Talons) and the "**Coupons**", respectively) in accordance with the provisions of the Trust Deed.
- (k) **Summaries:** Certain provisions of these Conditions are summaries of the Trust Deed, the Security Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders and Couponholders are bound by, and are deemed to have notice of and are entitled to the benefit of, all the provisions of the Trust Deed, the

Security Trust Deed, the Agency Agreement and the other Transaction Documents and the relevant Pricing Supplement applicable to them. Copies of the Trust Deed, the Security Trust Deed, the Agency Agreement and the other Transaction Documents are available for inspection by Noteholders and Couponholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

- (l) **Notes:** References herein to the Notes shall be references to the Notes of the relevant Series and shall mean:
- (a) in relation to any Notes represented by a global Note (a "**Global Note**"), units of the lowest Specified Denomination in the Specified Currency;
  - (b) any Global Note;
  - (c) any Bearer Notes in definitive form ("**Definitive Bearer Notes**") issued in exchange for a Global Note in bearer form; and
  - (d) any Registered Notes in definitive form ("**Definitive Registered Notes**") (whether or not issued in exchange for a Global Note in registered form).

## 2. **Interpretation**

**Definitions:** Words and expressions defined in the Trust Deed, the Agency Agreement or used in the relevant Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail. In these Conditions the following expressions have the following meanings:

"**Account Bank**" means Coutts & Co.;

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Security Document**" means any additional deed of charge creating Security Interests in favour of the Security Trustee (for itself and as trustee on behalf of the other Issuer Secured Creditors) granted by the Issuer after the date hereof in respect of any additional Series issued under the Programme and as specified in the relevant Pricing Supplement;

"**Agents**" means the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent and any reference to an "**Agent**" is to any one of them.

"**Borrower**" means, on the date hereof:



- (a) Mercury Equipment Rental LLC, a limited liability company incorporated under the laws of United Arab Emirates with registered number 819181 whose registered office is at 819181 and its subsidiaries, whose registered office is at Office 102, Plot 247-394, Tasaheel Building, Amman Street, Al Qusais PO Box 88533 Dubai, United Arab Emirates, and any Additional Borrower who accedes as a borrower pursuant to the terms of the Loan Agreement;
- (b) Mercury Car Rental LLC, a limited liability company incorporated under the laws of United Arab Emirates with registered number 822765 whose registered office is at 819181 and its subsidiaries, whose registered office is at Office 102, Plot 247-394, Tasaheel Building, Amman Street, Al Qusais PO Box 88533 Dubai, United Arab Emirates, and any Additional Borrower who accedes as a borrower pursuant to the terms of the Loan Agreement; and
- (c) any Additional Borrower who accedes as a Borrower pursuant to the terms of the Loan Agreement,

being a borrower under the Loan Agreement;

**"Borrower Security Document"** means each security document entered into between the Issuer and a Borrower under which the obligations of that Borrower under its Loan will be secured in favour of the Issuer;

**"Borrower Loan"** means a loan advanced by the Issuer to a Borrower pursuant to a Borrower Loan Agreement;

**"Borrower Loan Agreement"** means each loan agreement entered into between the Issuer and a Borrower in respect of Series;

**"Business Day"** means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar

month in which case that date will be the first preceding day that is a Business Day;

- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Amount"** has the meaning given in the relevant Pricing Supplement;

**"Corporate Services Agreement"** means the corporate services agreement dated 19 December 2018 between the Issuer, the Corporate Services Provider, the Share Trustee, Linklease Finance Holdings Limited, the Note Trustee and the Security Trustee;

**"Corporate Services Provider"** means Intertrust Management Limited, a private limited company incorporated under the laws of England and Wales with registered company number 03853947 and registered office at 35 Great St Helens, London EC3A 6AP;

**"Coupon Sheet"** means, in respect of a Note, a coupon sheet relating to the Note;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (i) if "Actual/Actual (ICMA)" is so specified, means:
  - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the

Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (B) where the Calculation Period is longer than one Regular Period, the sum of:
  - (z) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

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

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

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

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30";

- (vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

Where:

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

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

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

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

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

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

- (viii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

Where:

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

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

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

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

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

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

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

**"Early Redemption Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**"EURIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

**"euro"** means the single currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended;

**"Extraordinary Resolution"** has the meaning given in the Trust Deed;

**"Final Redemption Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

**"First Interest Payment Date"** means the date specified in the relevant Pricing Supplement;

**"Fixed Coupon Amount"** has the meaning given in the relevant Pricing Supplement;

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

**"Interest Determination Date"** has the meaning given in the relevant Pricing Supplement;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN

Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"ISDA Definitions"** means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Pricing Supplement, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.);

**"Issue Date"** has the meaning given in the relevant Pricing Supplement;

**"Issuer Charged Assets"** means the assets, undertaking and property of the Issuer which from time to time are, or are intended to be subject to the Security;

**"Issuer Secured Creditors"** means the Noteholders, the Couponholders, the Note Trustee, any Trustee Appointee, the Security Trustee, any Security Trustee Appointee, the Agents, the Corporate Services Provider, the Share Trustee, the Calculation Agent, the Arranger, the Account Bank, the Servicer and the Lease Originator (in the case of the Account Bank, the Servicer and the Lease Originator only upon acceding to the Security Trust Deed);

**"Issuer Security Documents"** means the Issuer Deed of Charge and any Additional Security Document;

**"LIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the British Bankers' Association based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

**"Margin"** has the meaning given in the relevant Pricing Supplement;

**"Maturity Date"** has the meaning given in the relevant Pricing Supplement;

**"Maximum Redemption Amount"** has the meaning given in the relevant Pricing Supplement;

**"Minimum Redemption Amount"** has the meaning given in the relevant Pricing Supplement;

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Pricing Supplement;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Pricing Supplement;

**"Payment Business Day"** means:

- (i) if the currency of payment is euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Programme"** means the US\$500,000,000 secured medium term note programme established by the Issuer;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Quotation Time"** has the meaning given in the relevant Pricing Supplement;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put) or such other amount in the nature of a redemption amount as may be specified in the relevant Pricing Supplement;

**"Redemption Margin"** has the meaning given in the relevant Pricing Supplement;

**"Reference Banks"** means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Date"** will be set out in the relevant notice of redemption;

**"Reference Price"** has the meaning given in the relevant Pricing Supplement;

**"Reference Rate"** means EURIBOR or LIBOR as specified in the relevant Pricing Supplement in respect of the currency and period specified in the relevant Pricing Supplement;

**"Register"** means the register maintained by the Registrar in respect of the Notes in accordance with the Agency Agreement;

**"Regular Period"** means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;



**"Registry Services Agreement"** means the registry services agreement dated 19 December 2018 between the Issuer and the Registrar in respect of the registry services.

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Note Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Financial Centre"** has the meaning given in the relevant Pricing Supplement;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Pricing Supplement;

**"Reserved Matter"** means:

- (a) change any date fixed for payment of principal or interest in respect of a Series of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or (other than as specified in the Conditions), to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity;
- (b) to change the currency in which amounts due in respect of the Notes are payable;
- (c) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution;
- (d) sanction any such scheme or proposal or substitution as is described in paragraphs 21(j) and 21(k) of schedule 4 to the Trust Deed;
- (e) alter the proviso to paragraph 8 of schedule 4 to the Trust Deed or the proviso to paragraph 9 of schedule 4 to the Trust Deed; or
- (f) amend this definition;

**"Security"** means any Security Interest created, evidenced or conferred by or under an Issuer Security Document;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**"Security Trustee Appointee"** means any examiner, attorney, manager, receiver, agent, delegate, nominee, custodian or other person appointed by the Security Trustee under an Issuer Security Document and the Security Trust Deed (in respect of the relevant Series);

**"Secured Obligations"** all present and future obligations and liabilities (whether in respect of principal, interest or otherwise, whether actual or contingent, whether owed jointly or severally and whether owed as principal or surety or in any other capacity) of the Issuer owed to the Issuer Secured Creditors (or any of them) under or in relation to any Series issued pursuant to the Programme;

**"Series"** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) save for the amount, the issue price and the date of the first payment of interest thereon;

**"Share Trustee"** means Intertrust Corporate Services Limited, a private limited company incorporated under the laws of England and Wales with registered company number 03920255 and registered office at 35 Great St Helens, London EC3A 6AP;

**"Specified Currency"** has the meaning given in the relevant Pricing Supplement; **"Specified Denomination(s)"** has the meaning given in the relevant Pricing Supplement;

**"Specified Office"** has the meaning given in the Agency Agreement;

**"Specified Period"** has the meaning given in the relevant Pricing Supplement;

**"Talon"** means a talon for further Coupons;

**"TARGET2"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

**"TARGET Settlement Day"** means any day on which TARGET2 is open for the settlement of payments in euro;

**"Transaction Documents"** means the Trust Deed, the Security Trust Deed, the Issuer Deed of Charge, any other Issuer Security Document, the Loan Agreement, the Agency Services Agreement, the Corporate Services Agreement, the Lease Origination Agreement, the Registry Services Agreement and the Servicing Agreement;

**"Treaty"** means the Treaty establishing the European Communities, as amended;

**"Trustee Appointee"** means any attorney, manager, agent, delegate, nominee, custodian or other person appointed by the Note Trustee under the Trust Deed; and

**"Zero Coupon Note"** means a Note specified as such in the relevant Pricing Supplement.

(a) **Interpretation:** In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons and Couponholders shall be deemed to include references to Talons and holders of Talons, respectively;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (Taxation), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (Taxation) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) (Definitions) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

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

- (a) **Bearer Notes:** Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, one Talon attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) **Registered Notes:** Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.
- (c) **Interest Basis:** This Note may be a Fixed Rate Note or a Floating Rate Note or a combination of either of the foregoing, depending upon the Interest Basis shown in the relevant Pricing Supplement.
- (d) **Register:** The Registrar will maintain the register in accordance with the provisions of the Agency Agreement and the Registry Services Agreement.
- (e) **Title:** Subject as provided in paragraph (f) below, title to the Bearer Notes and the Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement.
- (f) **Ownership:** The Issuer, Trustee, Security Trustee and any Agent Holder of any Note or Coupon shall (except as otherwise required by law) be treated deem and treat the

bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as its the absolute owner thereof for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in paragraph (f) below. No Person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

- (g) **Global Notes:** For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (Euroclear) and/or Clearstream Banking, société anonyme (Clearstream, Luxembourg), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agents and the Note Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, any Agent and the Note Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder**, **holder of Notes** and **holder** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Note Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

#### 4. **Registration and Transfer**

- (a) Transfers of Registered Notes: Subject to paragraphs (d) (*Closed periods*) and (e) (*Regulations concerning transfers and registration*) below and to the conditions set forth in the Agency Agreement, a Registered Note may be transferred upon surrender of the relevant Definitive Registered Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Definitive Registered Note are the subject of the transfer, a new Definitive Registered Note in respect of the balance of the Registered Notes will be issued to the transferor.

- (b) **Registration and delivery of Note Certificates:** Within five business days of the surrender of a Definitive Registered Note in accordance with paragraph (a) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Definitive Registered Note of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "business day" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (c) **No charge:** The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (d) **Closed periods:** Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (e) **Regulations concerning transfers and registration:** All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes incorporated by reference into the Registry Services Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar.

## 5. **Status**

The Notes and Coupons constitute secured obligations of the Issuer which will at all times rank *pari passu* and without preference among themselves.

## 6. **Security, Post-enforcement Priority of Payments and Covenants**

- (a) **Grant of Security:** The Note Trustee, the Security Trustee, the Noteholders and the other Issuer Secured Creditors will share in the benefit of the Security. The Security is granted by the Issuer under the Issuer Security Documents in favour of the Note Trustee, on trust for and on behalf of itself, the Noteholders and the other Issuer Secured Creditors on the terms of the Security Trust Deed and the Issuer Security Documents, as security for the Secured Obligations.
- (b) **Post-enforcement Priority of Payments:** Following the service of an Acceleration Notice, the Security Trustee will apply all moneys and receipts received by the Issuer and/or the Security Trustee or a receiver appointed by it (whether of principal or interest or otherwise) in the manner and order of priority set out below under the Post-enforcement Priority of Payments (in each case only if and to the extent that payments provisions of a higher priority have been made in full and in each case together with (if payable and due under the relevant document) VAT thereon):

**First**, in or towards satisfaction on a pro rata and pari passu basis, according to the respective amounts thereof, of the costs, expenses, fees or other remuneration and indemnity payments (if any), including any VAT, payable to the Note Trustee, any Trustee Appointee, the Security Trustee, any Receiver or any other Security Appointee and any costs, charges, expenses or other Liabilities incurred by the Note Trustee, any Trustee Appointee, the Security Trustee, any Receiver or any other Security Appointee pursuant to the Transaction Documents;

**Secondly**, to pay on a pro rata and pari passu basis any due and payable costs, expenses, fees or other remuneration and indemnity payments (if any), including any VAT, payable in respect thereof to the Agents in accordance with the Agency Agreement or any other Transaction Document;

**Thirdly**, in or towards satisfaction on a pro rata and pari passu basis, according to the respective amounts thereof, of the amounts (including, but not limited to, the legal fees, all auditors' fees, anticipated winding-up costs of the Issuer, fees due to the stock exchange where the Notes are then listed, fees due to Rating Agencies and company secretarial expenses), which are payable by the Issuer to third parties under obligations incurred in the ordinary course of the Issuer's business and incurred without breach by the Issuer of the Trust Deed or the Issuer Security Documents and not provided for payment elsewhere in this Post-Enforcement Priority of Payments, and to provide for any such amounts expected to become due and payable by the Issuer after any payment date;

**Fourthly**, in or towards satisfaction on a pro rata and pari passu basis, according to the respective amounts thereof, of (i) all amounts due to the Corporate Services Provider under the Corporate Services Agreement, (ii) fees and expenses of the directors of the Issuer and any advisers appointed by them, if any, (iii) all amounts due to the Servicer under the Servicing Agreement, (iv) all amounts due to the Account Bank;

**Fifthly**, in or towards satisfaction of all unpaid interest and principal due to the Noteholders;

**Sixthly**, the surplus, if any, to the Issuer.

- (c) Covenants: The Issuer has given certain covenants to the Note Trustee and the Security Trustee in the Trust Deed and the Security Trust Deed, respectively. In particular, save with the prior written consent of the Security Trustee or unless otherwise permitted under these Conditions or the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:
- (i) Negative pledge: create or permit to subsist any encumbrance (unless arising by operation of law or permitted under any of the Transaction Documents) or other security interest whatsoever over any of its assets or undertaking;
  - (ii) Restrictions on activities: (A) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or (B) have any subsidiaries (as defined in the Companies Act 2006), any subsidiary undertakings (as defined in the Companies Act 2006) or any employees or premises;

- (iii) Disposal of assets: transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (iv) Dividends or distributions: pay any dividend or make any other distribution to its shareholders or issue any further shares;
- (v) Indebtedness: incur any financial indebtedness or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (vi) Merger: consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (vii) No modification or waiver: permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party (in each case, without prejudice to the Servicing Agreement and the express provisions of the Transaction Documents); and
- (viii) Bank accounts: have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to it.

In giving any consent to the foregoing, the Note Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Issuer Transaction Documents or may impose such other conditions or requirements as the Note Trustee may deem expedient (in its absolute discretion) in the interests of the Noteholders but subject to the terms of the Transaction Documents.

- (d) Covenants: Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of the Issuer Transaction Documents, the Issuer shall, so long as any Note remains outstanding:
  - (i) maintain its books and records, accounts and financial statements separate from any other person or entity and use separate stationery, invoices and cheques;
  - (ii) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its affiliates (if any);
  - (iii) pay its own liabilities out of its own funds;
  - (iv) not commingle its assets with those of any other entity; and
  - (v) observe all formalities required by its memorandum and articles of association (including maintaining adequate capital for its operations).
- (e) Servicer: So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a servicer in respect of the Borrower Loans. The Servicer will

be permitted to terminate its appointment unless a replacement servicer has been appointed in accordance with the terms of the Servicing Agreement.

- (f) **Lease Origination and Servicing:** The Lease Originator shall originate the Borrower Leases and document and agree the Borrower Lease Agreement and Borrower Security without the consent or approval of the Note Trustee, the Security Trustee or the Noteholders.

Each of the Note Trustee and the Security Trustee:

- (i) is exempted from any liability in respect of any loss or theft or reduction in value of the Issuer Charged Assets, from any obligation to insure the Issuer Charged Assets and from any claim arising from the fact that the Issuer Charged Assets are held in a clearing system or in safe custody by a bank or other custodian;
- (ii) shall have no any responsibility for, or have any duty to make any investigation in respect of or monitor or supervise, or in any way be liable whatsoever for the Borrower, the application of or compliance with the Borrower Loan Eligibility Criteria or the documenting of the Borrower Loan Agreements and Borrower Security Documents, in each case by the Lease Originator;
- (iii) has no responsibility for the management of the Borrower Loans by the Servicer or to supervise the administration and servicing of the Borrower Loans or the Borrower Security Documents by the Servicer or the enforcement by the Servicer of the Borrower Leases or the Security created by the Borrower Security Documents or for the performance by any other party of its obligations under the Transaction Documents and is entitled to rely on the written certificates or written notices of any relevant party without further enquiry;
- (iv) shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Issuer Charged Assets and is not bound to make any investigation into the same or into the Issuer Charged Assets in any respect;
- (v) has no responsibility for the value, sufficiency, adequacy or enforceability of the Issuer Charged Assets or the security conferred in respect thereof.

## 7. **Fixed Rate Note Provisions**

- (a) **Application:** This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 11(c) (*Payments - Bearer Notes*) and Condition 11(d) (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6(b) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day



are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Paying Agent or the Note Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

#### 8. **Floating Rate Note Provisions**

- (a) **Application:** This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 11(c) (*Payments - Bearer Notes*) and Condition 11(d) (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Screen Rate Determination:** If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
  - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.
- (d) ISDA Determination: If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and

- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.
- (e) Maximum or Minimum Rate of Interest: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.
- (f) Calculation of Interest Amount: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub- unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) Publication: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the fourth London Business Day thereafter. Notice thereof shall also promptly be given to the Noteholders. For the purposes of this paragraph (g) the expression "London Business Day" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (h) Notifications etc.: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (in the absence of willful default) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

- (i) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7 by the Calculation Agent or the Note Trustee, as the case may be, shall (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all Noteholders and Couponholders and (in the absence of willful default) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

9. **Zero Coupon Note Provisions**

- (a) Application: This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) Late payment on Zero Coupon Notes: If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10. **Redemption and Purchase**

- (a) Scheduled redemption: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11(c) (*Payments - Bearer Notes*) and Condition 11(d) (*Payments - Registered Notes*).
- (b) Redemption for tax reasons: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),  
  
on giving not less than 30 nor more than 60 days' notice to the Noteholders, the Note Trustee and the Paying Agent (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Note Trustee that:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (Taxation) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Note Trustee (a) if the Note Trustee so requests, an opinion of independent legal advisers to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment, and (b) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

The Note Trustee shall be entitled to accept without liability such opinion and/or such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Noteholders and Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) Redemption at the option of the Issuer: If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, the Note Trustee and the Principal Paying Agent, or such other period(s) as may be specified in the relevant Pricing Supplement,

(which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call)) at the applicable amount specified in the relevant Pricing Supplement (together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date) being the Optional Redemption Amount (Call).

On the date specified for redemption in the notice given by the Issuer, the Issuer shall redeem the Notes as specified in the notice in accordance with this Condition 9(c).

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 9(c) by the Principal Paying Agent, shall (in the absence of manifest error), be binding on the Issuer, the Note Trustee, the other Paying Agents, the Registrar (if applicable) and all Noteholders and Couponholders.

- (d) Partial redemption: If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (Redemption at the option of the Issuer), the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (Notices) not less than 10 days prior to the date fixed for redemption.
- (e) Redemption at the option of Noteholders: If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or the Registrar or such Transfer Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or the Registrar or any Transfer Agent (a "**Put Option Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the principal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with Condition 2.2 (Registered Notes in definitive form).

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 8(e) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Note Trustee has declared the Notes to be due and payable pursuant to Condition 13, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8(e).

- (f) No other redemption: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) Early redemption of Zero Coupon Notes: Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30/360, Actual 360 or Actual 365 (Fixed).

- (h) Purchase: The Issuer may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.
- (i) Cancellation: All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

## 11. **Payments**

- (a) Method of payment: Subject as provided below:
- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
  - (ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 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 imposed pursuant to Sections 1471 through 1474 (inclusive) of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

- (b) Presentation of Definitive Bearer Notes and Coupons: Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 14) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive



bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **"Long Maturity Note"** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the principal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

- (c) Payments in respect of Bearer Global Notes: Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.
- (d) Payments in respect of Registered Notes: Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the Register) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **"Designated Account"** means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **"Designated Bank"** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk.

Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the nominal amount of such Registered Note as set out in the first sentence of this Condition 9(d). Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Note Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

- (e) General provisions applicable to payments: The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular principal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
  - (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.
- (f) **Payment Day:** If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, Payment Day means any day which (subject to Condition 14) is:
- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
    - (i) in the case of Notes in definitive form only, the relevant place of presentation;
    - (ii) each Additional Business Centre specified in the relevant Pricing Supplement;
    - (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET 2 System is open.
- (g) **Interpretation of principal and interest:** Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:
- (i) any additional amounts which may be payable with respect to principal under Condition 12;
  - (ii) the Final Redemption Amount of the Notes;
  - (iii) the Early Redemption Amount of the Notes;
  - (iv) the Optional Redemption Amount(s) (if any) of the Notes; and
  - (v) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 12

## 12. **Taxation**

- (a) Gross up: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made subject to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision therein or any authority therein or thereof having power to tax and none of the Issuer or any Agent shall have any obligation to pay any additional amount as a result of any such withholding or deduction;
- (b) Taxing jurisdiction: If the Issuer becomes subject at any time to any taxing jurisdiction other than the United Kingdom references in these Conditions to the United Kingdom shall be construed as references to the United Kingdom and/or such other jurisdiction.

### 13. **Events of Default**

If any of the following events occurs and is continuing, the Note Trustee at its discretion may and, if so requested in writing by holders of at least one-quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Note Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) (but in the case of the happening of any of the events described in paragraph (b) below only if the Note Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give written notice to the Issuer (an "**Acceleration Notice**") declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Redemption Amount together with accrued interest without further action or formality:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions, the Trust Deed or the Issuer Deed of Charge or if any representation given by the Company to the Note Trustee in the Trust Deed or to the Security Trustee in the Issuer Deed of Charge is found to be materially untrue, incorrect or misleading as at the time it was given and (except in any case where, in the opinion of the Note Trustee or the Security Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Note Trustee may agree) next following the service by the Note Trustee or the Security Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer save for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent or on terms previously approved in writing by the Note Trustee or by an Extraordinary Resolution; or
- (d) if the Issuer ceases to carry on all or substantially all of its business, save for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent or on terms previously approved in writing by the Note Trustee or by an

Extraordinary Resolution, or the Issuer is unable to pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

- (e) if (A) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer in relation to the whole or a substantial part of the undertaking or its assets, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or its assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or its assets and (B) in any case is not being contested in good faith by the Issuer or is not discharged or stayed within 45 days; or
- (f) if the Issuer (or its directors) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent or on terms previously approved in writing by the Note Trustee or by an Extraordinary Resolution; or
- (g) if it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed or the Issuer Deed of Charge; or
- (h) the occurrence of an "Event of Default" as defined in, and pursuant to the terms of, a Loan Agreement.

The Security shall become enforceable upon the service of an Acceleration Notice by the Note Trustee. No Noteholder or Couponholder shall be entitled to (i) take any steps or action against the Issuer to enforce the performance of any of the provisions of the Trust Deed or the Issuer Deed of Charge or (ii) take any other action (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Security Trustee, having become bound so to take any such steps, actions or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

#### 14. **Prescription**

The Notes (whether in bearer or registered form) and Coupons shall become void unless claims in respect of principal and/or interest are made within ten years (in the case of principal) and five years (in the case of interest) of the appropriate Relevant Date.

#### 15. **Replacement of Notes, Coupons or Talons**

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Principal Paying Agent or, as the case may be, the Registrar may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

#### 16. **Trustee and Agents**

Under the Trust Deed, the Note Trustee is entitled to be indemnified and/or secured and/or prefunded and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Note Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Note Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Note Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. If any additional Paying Agents or Transfer Agents are appointed in connection with any Series, the names of such Paying Agents and Transfer Agents will be specified in Part B of the relevant Pricing Supplement

The Issuer reserves the right (with the prior approval of the Note Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor Principal Paying Agent or Registrar or Calculation Agent and additional or successor Paying Agents or Transfer Agents in the manner specified in the Agency Agreement; provided, however, that:

- (i) the Issuer shall at all times maintain a Principal Paying Agent, a Registrar and, if the Notes are Floating Rate Notes, a Calculation Agent; and
- (ii) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. **Meetings of Noteholders; Modification and Waiver; Substitution**

- (a) Meetings of Noteholders: The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Note Trustee and shall be convened by the Issuer upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on the Noteholders, whether present or not and on all Couponholders.

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate principal amount of the Notes which resolution of will take effect as if it were an Extraordinary Resolution and (ii) for so long as Notes are held in global form through a clearing system, consents given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Note Trustee) by or on behalf of the holder(s) of not less than 75 per cent. in aggregate principal amount of the Notes for the time being outstanding shall be effective as an Extraordinary Resolution of the Noteholders. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) Modification and waiver: The Note Trustee may agree, or may direct the Security Trustee to agree, without the consent of the Noteholders or Couponholders:
- (i) to any modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Trust Deed or any other Transaction Document, where, in any such case, it is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders so to do; or
  - (ii) to any modification which is of a formal, minor or technical nature or to correct a manifest error.

The Note Trustee may also, without the consent of the Noteholders or Couponholders, determine that any Event of Default or Potential Event of Default shall not, or shall not subject to specified conditions, be treated as such.

- (c) Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders in accordance with Condition 20 (Notices) as soon as practicable thereafter.
- (d) Substitution: The Trust Deed contains provisions under which the Note Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) of any other company as the principal debtor under the Notes, the Coupons and the Trust Deed **provided that** certain conditions specified in the Trust Deed are fulfilled.

In respect of any Series of Notes that is subject to a rating, the Note Trustee shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any confirmation by any rating agency (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Note Trustee and irrespective of the method by which such confirmation is conveyed) (a) that the then current rating by it of the Notes would not be downgraded, withdrawn or qualified by such exercise or performance and/or (b) if the original rating of the Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of the Notes. The Issuer shall procure that, so long as the Notes are listed on any stock exchange, any material amendments or modifications to the Conditions, the Trust Deed or such other conditions made pursuant to this Condition 17(c) (Substitution) shall be notified to such stock exchange (d) Exercise of discretion: In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution referred to above), the Note Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Note Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, except to the extent already provided for in Condition 12 (Taxation)

## 18. **Enforcement**

The Note Trustee may at any time, at its discretion and without notice, take such action under or in connection with any of the Transaction Documents or the Notes or the Coupons as it may think fit (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, at any time after the Security has become enforceable, to take steps to enforce the Security), provided that:



- (i) the Note Trustee shall not be bound to take any such action unless it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution;
- (ii) the Security Trustee shall not, and shall not be bound to, take any such action unless it shall have been so directed by (i) the Note Trustee or (ii) if there are no Notes outstanding, all of the other Issuer Secured Creditors;
- (iii) neither the Note Trustee nor the Security Trustee shall be bound to take any such action unless it has been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder or Couponholder may proceed directly against the Issuer or any other party to the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, provided that no Noteholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

#### **LIMITED RECOURSE**

The obligations of the Issuer to pay any amounts due and payable in respect of a Series of Notes and to the other Issuer Secured Creditors at any time in respect of a Series shall be limited to the proceeds available out of the Issuer Charged Assets in respect of such Series at such time to make such payments in accordance with the provisions of the Security Trust Deed. Notwithstanding anything to the contrary contained herein or in any Transaction Document, in respect of the Series, the Noteholders, the Couponholders and the Issuer Secured Creditors shall have recourse only to the Issuer Charged Assets in respect of the Series, subject always to the Security, and not to any other assets of the Issuer. If, after (i) the Issuer Charged Assets in respect of the Series are exhausted (whether following liquidation or enforcement of the Security or otherwise) and (ii) application of the available proceeds, as applicable, as provided in the Conditions and the Security Trust Deed, any outstanding claim, debt or liability against the Issuer in relation to the Trust Deed, the Notes of the Series or any other Transaction Document relating to the Notes of the Series remains unpaid, then such outstanding claim, debt or liability shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following extinguishment in accordance with the Conditions, none of the Issuer Secured Creditors, the Noteholders, the Couponholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors in respect of such further sum in respect of the Series.

None of the Issuer Secured Creditors (save for the Note Trustee or the Security Trustee who may lodge a claim in liquidation of the Issuer which is initiated by another party

or take proceedings to obtain a declaration or judgment as to the obligations of the Issuer), the Noteholders, the Couponholders or any person acting on behalf of any of them may, at any time, institute, or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any notes other than the Notes issued by the Issuer (save for any further notes which form a single series with the Notes), or Issuer Charged Assets in respect of a different Series issued or entered into by the Issuer or any other assets of the Issuer (other than the Issuer Charged Assets in respect of the Series). In addition, none of the Issuer Secured Creditors, the Noteholders, the Couponholders or any person acting on behalf of any of them shall have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Trust Deed or any other Transaction Documents. The provisions of this Condition shall survive notwithstanding any redemption of the Notes of any Series thereof or the termination or expiration of the Trust Deed or any other Transaction Document.

The Note Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Note Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or Couponholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

20. **Notices**

- (a) Bearer Notes: Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) Registered Notes: Notices to the holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at

their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

- (c) Global Notes: Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.
- (d) Notices given by Noteholders: Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

## 21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all U.S. dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 22. **Governing Law**

The Notes, the Coupons, the Trust Deed, the Agency Agreement and the other Transaction Documents and any non-contractual obligations arising out of or in connection with them are governed by, and construed in accordance with, English law.

## PRICING SUPPLEMENT

Pricing Supplement dated 19 December 2018

Issue of up to US\$50,000,000 9% per annum Series 2018-LL1

Secured Medium Term Notes under the Issuer's US\$500,000,000

### Secured Medium Term Note Programme

#### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Terms and Conditions of the Notes.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Pricing Supplement and the Investment Memorandum. The Investment Memorandum is available for viewing during normal business hours at 161 Brompton Road, SW3 1QP and copies may be obtained from the Issuer on request.

1.	Issuer:	Linklease Finance Plc
2.	(i) Series Number:	2018-LL1
	(iii) Date on which the Notes become fungible:	Not Applicable
3.	Specified Currency or Currencies:	US\$
4.	Aggregate Nominal Amount:	US50,000,000
	(i) Series:	2018-LL1
5.	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations:	US\$125,000
	(ii) Calculation Amount:	US\$1,000
7.	(i) Issue Date:	19 December 2018
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	19 December 2023
9.	Interest Basis:	9 per cent. per annum (Fixed-Rate)
10.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be

		redeemed on the Maturity Date at 100 per cent. of their nominal amount.
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Callable at par / 100.00 per cent of the nominal value from 19 December 2021
13.	Date Board approval for issuance of Notes obtained:	14 December 2018
<b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>		
14.	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	9.00 per cent. per annum payable in arrears on each Interest Payment Date
	(ii) Interest Payment Date(s):	Initially on 19 June 2019 (equivalent to two calculation amounts) and then in each year up to and including the Maturity Date on:  19 September 19 December 19 March 19 June
	(iii) Fixed Coupon Amount:	US\$22.50 per Calculation Amount
	(iv) annualised Fixed Coupon Amount:	US\$90 per Calculation Amount
	(v) Day Count Fraction:	Actual/Actual
15.	Floating Rate Note Provisions	Not Applicable
16.	Zero Coupon Note Provisions	Not Applicable
<b>PROVISIONS RELATING TO REDEMPTION</b>		
17.	Call Option	Applicable
	(i) Optional Redemption Date(s):	Callable at par / 100.00 per cent of the nominal amount from 19 December 2021
18.	Put Option	Not Applicable
19.	Final Redemption Amount of each Note	US\$125,000 per Specified Denomination amount
20.	Early Redemption Amount	US\$125,000 per Specified Denomination amount
21.	Unmatured coupons void	Not Applicable

<b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b>		
22.	Form of Notes:	CREST Registered
24.	New Global Note:	No
25.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
26.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	No
Signed on behalf of Linklease Finance Plc:		
By: .....		
Duly authorised		

## **PART B – OTHER INFORMATION**

1.	(i) Listing	<p>The Notes issued under Series 2018-LL1 have been listed on the Frankfurt Stock Exchange.</p> <p>The Issuer has made an application to CSX for the Notes issued under Series 2018-LL1 by the Issuer (or on its behalf) for the Notes issued under Series 2018-LL1 to be admitted to the Official List on its regulated market with effect from 3 June 2019.</p>
	(ii) Estimated total expenses related to admission to trading:	GBP 20,000
2.	Ratings	The Notes issued under Series 2018-LL1 have been rated by ARC Ratings S.A.: A (sf) (Ind)
3.	Interests of natural and legal persons involved in the issue/offer	Save as discussed in “ <i>Subscription and Sale</i> ”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
4.	Fixed Rate Notes only – Yield	

	Indication of Yield:	9.00 per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
5.	Floating rate notes only - historic interest rates	Not Applicable
6.	Operational information	
	ISIN code:	GB00BGWL1326
	Any clearing system(s) including Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s):	The Notes issued under Series 2018-LL1 will be eligible for CREST.
7.	Distribution	
	US selling restrictions	Regulation S Compliance Category 2
8.	Name and address of any additional paying agents and depositary agents:	Avenir Registrars 5 St John's Lane London EC1M 4BH
9.	Intended to be held in a manner which would allow Eurosystem eligibility:	Yes

## USE OF PROCEEDS

The net proceeds from the issue of Notes issued under Series 2018-LL1 will be lent by the Issuer to the Borrowers under the terms of the Loan Agreement.

### *The Loan Agreement*

The Borrowers may use the proceeds of the Loan Agreement only to purchase and lease assets in accordance with the Lease Origination Criteria.

The Borrowers shall pay interest on all amounts drawn under the Loan Agreement at a rate of 9% (nine per cent) per annum, with such interest accruing at the point at which the funds are received by subscribers of the Notes. Interest shall be payable quarterly in arrears.

The Borrowers shall repay all outstanding principal amounts under the Loan Agreement on termination of the Loan Agreement.

The Loan Agreement is governed by English Law and the courts of England and Wales have jurisdictions in respect of any claims brought pursuant to it.

### *Representations and Warranties in the Loan Agreement*

The Issuer has the benefit of standard representations and warranties in relation to the Borrowers including that each of the Borrowers:

1. are duly incorporated and validly existing;
2. have the power to own assets and carry on their respective business;
3. have the power to enter in to and deliver and perform their respective obligations under the Transaction Documents;
4. will not breach any term of any other contractual provisions binding upon it;
5. do not have any indebtedness beyond that incurred under the Loan Agreement;
6. are not currently involved in any litigation, arbitration or administrative proceedings;
7. will insure each asset with an approved and recognised insurer;
8. will ensure each lease of each new asset contains provisions that the lessor does not invalidate any manufacturer guarantee or warranty;
9. will ensure that each lease of each asset shall contain a provision that each asset shall be used and maintained in accordance with the relevant manufacturer's guidelines and/or warranty; and
10. will indemnify and keep indemnified the Issuer against any loss to residual value resulting from any non-compliance with paragraph 9 above.

### *Borrower Covenants in the Loan Agreement*

The Borrowers covenant with the Issuer that they will:

1. use all moneys borrowed under this Agreement solely for the "Purpose" under the Loan Agreement (being to purchase assets to be leased in accordance with the Lease Origination Criteria);



2. not incur any indebtedness beyond the indebtedness incurred under the Loan Agreement;
3. take any and all actions required by the Lender or its rating agency for the purpose maintaining the rating of the Notes;
4. immediately notify the Lender as soon as it becomes aware of any circumstance which will or is reasonably likely to have an effect on its ability to make a payment or repayment to the Issuer under the terms of the Loan Agreement;
5. on any purchase and leaseback agreement of any asset, limit the consideration payable for that asset to 80% of its fair market value (excluding fees and insurance);
6. notify the Issuer every six months of the value of each asset it purchases or has purchased;
7. deliver to the Issuer:
  - i. reasonably promptly, all notices or other documents dispatched by the Borrower to its creditors generally; and
  - ii. promptly such financial or other information as the Issuer may, from time to time, request;
8. promptly, after becoming aware of them, notify the Issuer of any litigation, arbitration or administrative proceedings or claim to which it is a party;
9. promptly obtain all consents or authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation to enable it to perform its obligations under the Transaction Documents and to ensure the legality, validity, enforceability and admissibility in evidence of the Transaction Documents in its jurisdiction of incorporation;
10. procure that any of its unsecured and unsubordinated obligations and liabilities under the Transaction Documents rank, and will rank, at least pari passu in right and priority of payments with all its other unsecured and unsubordinated obligations and liabilities, present or future, actual or contingent, except for those obligations and liabilities mandatorily preferred by law of general application to companies;
11. comply, in all respect, with all laws, if failure to do so has or is likely to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this Agreement;
12. notify the Issuer of any event of default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence;
13. it will not make any change to the general nature or scope of its business as carried on at the date of the Loan Agreement;
14. it will not create, or permit to subsist, any Security on or over any of its assets charged pursuant to the Security Documents.

## DESCRIPTION OF THE ISSUER

### **Incorporation and Status**

The Issuer is a public limited company incorporated in England and Wales with registered number 11663405 on 6 November 2018 under the Companies Act 2006. The Issuer was incorporated as a special purpose vehicle for the purpose of issuing debt securities.

The registered address of the Issuer is 35 Great St. Helen's, London, Greater London, EC3A 6AP. The Issuer has no subsidiaries as of the date of this Investment Memorandum.

### **Principal activities of the Issuer**

The Issuer is an entity which has been established for the sole purpose of issuing Notes. Its principal activities are limited to issuing Notes and advancing the proceeds thereof to the Borrowers under the Loan Agreement that comply with the Lease Origination Criteria.

### **Directors of the Issuer**

The Directors of the Issuer (as at the date of this Investment Memorandum) are Carl Hakan Mauritzon, Intertrust Directors 1 Limited, Intertrust Directors 2 Limited. All directors are contactable at the registered address of the Issuer.

As at the date of this Investment Memorandum, there are no potential conflicts of interest between any duties to the Issuer of the directors of the Issuer and their private interests and/or duties.

To the extent that any conflicts do arise, the Issuer's articles of association allow the directors of the Issuer to disclose and, where appropriate, authorise conflicts of interest and the board of directors has adopted a policy and procedure for managing and, where appropriate, approving potential conflicts of interest.

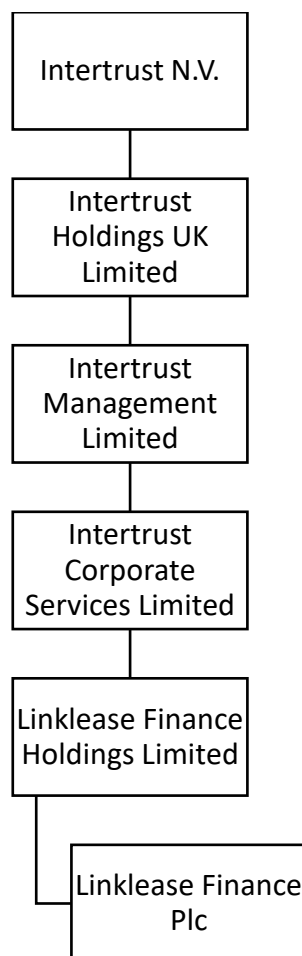
The Issuer has no employees.

The registered address of the directors is 35 Great St. Helen's, London, Greater London, EC3A 6AP.

### **Share capital and major shareholders**

As at the date of this Investment Memorandum, the entire issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, of which one is fully-paid and 49,999 are paid at £0.25 per share. The entire issued share capital of the Issuer is held by Linklease Finance Holdings Limited (the "**Parent**"), a private limited company incorporated in England and Wales with registered number 11663464.

### **Issuer Shareholder Structure**



### **Nature of financial information**

Since the date of its incorporation until the date of this Investment Memorandum, no financial statements have been made up at the date of this Investment Memorandum.

### **Financial reporting**

The financial statements of the Issuer will be maintained in sterling and prepared in accordance with Financial Reporting Standard 102 (FRS 102) on a yearly basis in accordance with the applicable provisions of the listing rules and the Companies Act 2006.

It is intended that the financial statements of the Issuer will be prepared by BDO LLP.

Each set of annual financial statements will be prepared up to 31 December in each year and copies are available for the Noteholders in accordance with the listing rules of the Frankfurt Stock Exchange within a period of four months and the CSX within a period of nine months of the end of the relevant accounting period.

Copies of the Issuer's annual report and accounts once prepared and filed will be available in hard copy form at the registered office of the Issuer during normal business hours (9:00 am to 5:00 pm, UK time, Monday to Friday, excluding bank holidays).

## **Auditors**

The Issuer has appointed BDO LLP of 31 Chertsey Street, Guildford, Surrey, GU1 4HD as its auditors. BDO LLP are chartered accountants and registered auditors and are members of the Institute of Chartered Accountants in England and Wales.

The auditors of the Issuer have no material interest in the Issuer.

## **Bank accounts**

The bank accounts of the Issuer are held with the Account Bank.

## **Operations and Borrowings**

Since the date of its incorporation, the Issuer has not commenced operations other than to the extent required to issue Notes under Series 2018-LL1 of the Programme.

Save for the Notes issued under Series 2018-LL1 of the Programme, the Issuer has no outstanding short or long-term borrowings or indebtedness.

## **Issuer expenses**

The Issuer shall be solely responsible for the payment of the below expenses:

- fees and expenses properly incurred in the incorporation and organisation of the Issuer;
- annual administrative expenses and taxes of the Issuer;
- fees and expenses of the Trustee, the Security Trustee and the Agents;
- fees and expenses of local and international legal counsel;
- any other expenses required for the issuance of the notes or advance of each loan to the Borrowers; and
- the arrangement fee.

## **DESCRIPTION OF THE BORROWERS**

The Borrowers are both special purpose vehicles incorporated solely for the purpose of receiving funds under the Loan Agreement and using such funds to acquire and lease assets, in accordance with the Lease Origination Agreement and the Servicing Agreement.

As neither Borrower has any trading or financial history, both are reliant upon the expertise of the Lease Originator/Servicer in operating their equipment leasing businesses.

### **Incorporation**

Mercury Equipment Rental LLC was incorporated on 12 November 2018 under the laws of Dubai and the applicable federal laws of the UAE.

Mercury Car Rental LLC was incorporated on 3 January 2019 under the laws of Dubai and the applicable federal laws of the UAE.

### **Registered address**

Both Borrowers' registered address is Office 102, Plot 247-394, Tasaheel Building, Amman Street, Al Qusais PO Box 88533 Dubai, United Arab Emirates.

### **Management**

Under the laws of Dubai and the applicable federal laws of the UAE, Steve Williams is the licensed manager of both Borrowers.

Steve Williams is also the licensed manager of the Servicer/Lease Originator, whose expertise and experience is described above.

### **Shareholders**

Both Borrowers have an authorised share capital of 300 shares of 1000 UAE Dirhams. All of the issued shares are full paid and are in the ownership of (i) World Wide Group of Ahmed Ghanem Ahli Companies (51%) and (ii) Steve Williams (49%).

## CLEARING SYSTEMS

The Series 2018-LL1 Notes will be uncertificated units of an eligible debt security and will be constituted and deposited into CREST Euroclear UK and Ireland Limited (the "**Relevant System**") title to such units will be held and transferred by means of the Relevant System, and such units will be redeemed by means of the CREST relevant system in all cases in accordance with the CREST Regulations. CREST is the system owned and operated by Euroclear UK and Ireland Limited, of which the Registrar is a member, which:

- enables companies and other persons to hold units of securities issued by them in uncertificated form;
- allows for the transfer, by means of the system of title, of such units which are held in uncertificated form; and
- permits the payment of dividends in respect of such securities, the making of rights issues and other corporate actions by participating issuers.

The ISIN and SEDOL for the Series 2018-LL1 Notes are:

SEDOL: BGWL132 / OPOL: XFRA (Frankfurt)

SEDOL: BJLJZZ8 / OPOL: XCA Y (Cayman Islands)

ISIN: GB00BGWL1326

## TAXATION

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs ("HMRC") practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future (possibly with retroactive effect). Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice. This summary is based upon the law as in force on the date of this Investment Memorandum and is subject to any change in law that may take effect after such date.

### *Interest on the Notes*

Payments of interest on the Notes issued under Series 2018-LL1 may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes issued under Series 2018-LL1 continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The CSX is such a recognised stock exchange and securities will be treated as listed on CSX if they are officially listed on the CSX. Provided, therefore, that the Notes issued under Series 2018-LL1 are and remain so listed, interest on the Notes issued under Series 2018-LL1 may be paid by the Issuer without withholding or deduction on account of United Kingdom tax.

Interest on the Notes issued under Series 2018-LL1 may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes issued under Series 2018-LL1 is paid by the Issuer and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes issued under Series 2018-LL1 is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate, currently 20 per cent. ("**withholding tax**"). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

### *Other rules relating to United Kingdom withholding tax*

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom for United Kingdom tax purposes may be able to recover all or part of the tax deducted subject to an appropriate

provision in any applicable double taxation treaty and the laws of the jurisdiction in which the Noteholder is resident for tax purposes.

The references to “interest” above mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation. Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes issued under Series 2018-LL1 which does not constitute “interest” or “principal” as those terms are understood in United Kingdom tax law.

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes issued under Series 2018-LL1 should not be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in the paragraph headed “*Interest on Notes*” above, but may be subject to reporting requirements as outlined under the paragraphs headed “*Provision of Information*” and “*EU Savings Directive*” below.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom for United Kingdom tax purposes may be able to recover all or part of the tax deducted subject to an appropriate provision in any applicable double taxation treaty and the laws of the jurisdiction in which the Noteholder is resident for tax purposes.

The references to “interest” above mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation. Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes issued under Series 2018-LL1 which does not constitute “interest” or “principal” as those terms are understood in United Kingdom tax law.

### ***Provision of Information***

Noteholders should note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. In certain circumstances, the information so obtained may be passed by HMRC to the tax authorities of certain other jurisdictions.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes issued under Series 2018-LL1 which constitute “deeply discounted securities” for the purposes of section 430 of the Income Tax (Trading and Other Income) Act 2005 (although, in this regard, HMRC published guidance for the year 2012/2013 indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year).

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

## **EU SAVINGS DIRECTIVE**



Under the EU Council Directive 2003/48/EC on the taxation of savings income and subsequent amending Council Directive(s) (the “**Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State.

For a transitional period, Austria is required (unless during that period it 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 exchange of information with certain other countries).

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (a withholding system in the case of Switzerland).

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

## SUBSCRIPTION AND SALE

### United States of America

The Notes have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any United States jurisdiction and, accordingly, may not be offered or sold in the United States or to U.S. persons (as such term is defined in Rule 902(k) under the Securities Act) unless registered under the Securities Act and such laws, or an exemption from such registration requirements is available.

### 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**”), the Promoter has represented, warranted and agreed, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Investment Memorandum as completed by the Pricing Supplement in relation thereto (or are the subject of the offering contemplated by Drawdown Particulars, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive provided that no such offer of Notes shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

This EEA selling restriction is in addition to any other selling restrictions set out below relating to a Member State of the European Economic Area.

### United Kingdom

The Promoter has represented, warranted and agreed that it will use its best reasonable endeavours to ensure that no offer is made to nor other marketing activity targeted at any retail investors.

The Promoter has further represented, warranted and agreed that it will use its best reasonable endeavours to ensure that no marketing material is made publicly available on any websites, or in any newspapers, publications, or email-shots.

### General

Other persons into whose hands this Investment Memorandum or any Pricing Supplement comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Investment Memorandum or any Pricing Supplement or any related offering material, in all cases at their own expense.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Series of Notes) or (in any other case) in a supplement to this Investment Memorandum.

## **GENERAL INFORMATION**

### **Authorisation**

The establishment of the Programme and the issue of Notes under the Series 2018-LL1 have been duly authorised by a resolution of the board of directors of the Issuer dated 14 December 2018.

### **Legal and arbitration proceedings**

As of the date of this Investment Memorandum, the Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since the incorporation of the Issuer which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

### **Documents on display**

For the period of 12 months following the date of this Investment Memorandum, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the offices of the Issuer and the specified office of the Principal Paying Agent for the time being in London:

1. the constitutional documents of the Issuer;
2. the Trust Deed, the Security Trust Deed, the Issuer Deed of Charge, any other Issuer Security Document, the Agency Agreement, the Corporate Services Agreement, the and the Servicer Agreement;
3. the most recent publicly available audited financial statements of the Issuer (beginning with such financial statements for the year ending 31 December 2018) and the most recently published unaudited interim unconsolidated financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith;
4. any Pricing Supplement relating to Notes which are listed or admitted to trading on any stock exchange (in the case of any Notes which are not listed or admitted to trading on any stock exchange, copies of the relevant Pricing Supplement will only be available for inspection by the relevant Noteholders); and
5. the current Investment Memorandum in relation to the Programme, together with any amendments.

### **Material contracts**

Other than the Transaction Documents and Loan Agreement, there are no contracts having been entered into outside the ordinary course of any of the Issuer's businesses, which are, or may be, material and contain provisions under which the Issuer has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

### **Clearing of the Notes**

The Notes have been accepted for clearance through Euroclear (which is the entity in charge of keeping the records). The appropriate Common Code and ISIN for the Notes issued under Series 2018-LL1 allocated by Euroclear are be specified in the Pricing Supplement.

### **Trustee's action**

The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

### **Third party information**

In respect of any information contained in this Investment Memorandum not relating to the Issuer that has been sourced from a third party, the Issuer confirms that such information has been accurately reproduced in this Investment Memorandum and that, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **Post-issuance reporting**

The Issuer does not intend to provide post-issuance transaction information regarding any issues of Notes or regarding the Issuer Security unless required to do so under any applicable laws or regulations or the rules of any stock exchange on which the Notes are listed or traded.

## **TRANSACTION PARTIES**

### **ISSUER**

Linklease Finance PLC  
35 Great St Helen's  
London EC3A 6AP

### **NOTE TRUSTEE**

Woodside Corporate Services Limited  
4<sup>TH</sup> Floor  
50 Mark Lane  
London  
EC3R 7QR

### **SECURITY TRUSTEE**

Woodside Corporate Services Limited  
4<sup>TH</sup> Floor  
50 Mark Lane  
London  
EC3R 7QR

### **PAYING AGENT**

Avenir Registrars  
5 St. John's Lane  
London  
EC1M 4BH

### **LEGAL COUNSEL TO THE ISSUER**

DWF Law LLP  
20 Fenchurch Street  
London  
EC3M 3AG

### **REGISTRAR**

Avenir Registrars  
5 St. John's Lane  
London  
EC1M 4BH

### **ARRANGER & CALCULATION AGENT**

Zenzic Partners Limited  
Brompton Place  
161 Brompton Road  
London SW3 1QP

**CORPORATE SERVICES PROVIDER**

Intertrust Management Limited  
35 Great St Helens  
London EC3A 6AP

**SHARE TRUSTEE**

Intertrust Corporate Services Limited  
35 Great St Helens  
London EC3A 6AP

**LEASE ORIGINATOR & SERVICER**

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Suite 2004  
Single Business Tower  
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Dubai, UAE  
PO Box 213302

**ACCOUNT BANK**

Coutts and Co  
440 Strand,  
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**AUDITOR**

BDO LLP  
31 Chertsey Street, Guildford,  
Surrey, GU1 4HD