

Base Prospectus

HARP Issuer PLC

(a public limited company incorporated under the laws of Ireland with its registered office at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Dublin IE D01 P767, Ireland, with registration number 661148)

Secured EUA Linked Issuance Programme

What is this document?

This document (this “**Base Prospectus**”) constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and Article 8 of Regulation (EU) 2017/1129 as it forms part of “retained EU law”, as defined in the European Union (Withdrawal) Act 2018 (as amended) (the “**EUWA**”) (the “**UK Prospectus Regulation**”) and relates to the Secured EUA Linked Issuance Programme (the “**Programme**”) of HARP Issuer PLC (the “**Issuer**”).

This Base Prospectus is valid for 12 months from the date hereof and will expire thereafter. The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of the EUA Linked Securities, prepare a supplement to this Base Prospectus. The obligation to prepare a supplement to this Base Prospectus in the event of any significant new factor, material mistake or material inaccuracy does not apply when the Base Prospectus is no longer valid. It is important that you read and understand this Base Prospectus before you invest in EUA Linked Securities (as defined below).

Who is the Issuer?

The Issuer is a special purpose vehicle incorporated in Ireland whose principal business is the issue of limited recourse securities.

What type of securities does this document relate to?

This Base Prospectus relates to the issuance of secured, limited recourse securities (“**EUA Linked Securities**”) that the Issuer, subject to compliance with all relevant laws, regulations and directives, may issue from time to time. Such EUA Linked Securities will be linked to the price of “allowances” (as defined in Article 3(a) Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC (“**EU ETS Directive**”), as amended from time to time) issued, allocated, created and recognised in accordance with the rules and regulations of the European Union Emissions Trading Scheme (the “**EU ETS**”) which represent an entitlement to emit a specific volume of carbon dioxide equivalent or other greenhouse gas (“**EUAs**”). Upon maturity or an early redemption, the EUA Linked Securities will pay an amount linked to the performance of such EUAs, subject to deduction of certain fees.

What is in this Base Prospectus?

This Base Prospectus, together with the documents incorporated by reference within, is intended to provide potential investors with necessary information with regard to the Issuer and the EUA Linked Securities which, according to the particular nature and circumstances of the Issuer and the type of EUA Linked Securities, is material to potential investors for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the rights attaching to the EUA Linked Securities and the reasons for the issuance and its impact on the Issuer.

The contractual terms of any particular series of EUA Linked Securities (each, a “**Series**”) will be made up of the terms and conditions set out at pages 64 to 119 of this Base Prospectus, as completed by a separate Final Terms document, which is specific to that issuance of EUA Linked Securities (the “**Final Terms**”).

The Base Prospectus also discloses (i) risk factors relating to an investment in EUA Linked Securities, (ii) information about the agreements entered into by the Issuer in respect of the EUA Linked Securities, (iii) information concerning certain parties that have roles in connection with the Programme and (iv) information about selling restrictions applicable to the EUA Linked Securities. All capitalised terms used will be defined in this Base Prospectus or the Final Terms.

What other documents do I need to read?

This Base Prospectus contains all information which is necessary to enable potential investors to make an informed decision of the financial position and prospects of the Issuer and of the rights attaching to the EUA Linked Securities. Some of this information is incorporated by reference from other publicly available documents and some of this information is completed in an issue-specific document called the Final Terms. This Base Prospectus should be read together with (i) any documents incorporated by references and (ii) the Final Terms in respect of the relevant Series of EUA Linked Securities.

This Base Prospectus and any document incorporated by reference will be made available at www.ubs.com/ETF (or such other website as may be notified to Securityholders). The information on any websites referred to herein does not form part of the Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

What information is included in the Final Terms?

Whilst the Base Prospectus includes general information about the EUA Linked Securities, the Final Terms is the document that sets out the specific details of a particular issuance of EUA Linked Securities. Such details will include, *inter alia*, the issue date, Series number or title, the scheduled maturity date, the number of EUAs to which those EUA Linked Securities are linked and the fees applicable to such EUA Linked Securities.

This Base Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Programme Administrator or any Transaction Party that any recipient of this Base Prospectus should purchase the EUA Linked Securities. Potential investors in the EUA Linked Securities should ensure that they understand the nature of the EUA Linked Securities and the risks relating to an investment in the EUA Linked Securities and should consider the suitability of the EUA Linked Securities as an investment in light of their own circumstances and financial condition.

The EUA Linked Securities involve a significant degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of potential investors to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the EUA Linked Securities and they should not rely on receiving any advice from the Issuer, the Programme Administrator or any Transaction Party in that regard. See the section headed “*Risk Factors*” set out on pages 26 to 47 of this Base Prospectus.

The date of this Base Prospectus is 15 May 2024.

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation and the UK Prospectus Regulation.

Approval

Approval by the Central Bank under the Prospectus Regulation

This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the EUA Linked Securities that are the subject of this Base Prospectus and potential investors should make their own assessment as to the suitability of investing in the EUA Linked Securities. Such approval relates only to EUA Linked Securities which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (“**MiFID II**”) and/or which are to be offered to the public in any member state of the European Economic Area (the “**EEA**”). For the avoidance of doubt, such approval does not, therefore, extend to the offering of any EUA Linked Securities to the public in the UK or to the application for admission to listing and trading on the London Stock Exchange or on SIX (each as defined below).

The Issuer has requested the Central Bank to notify its approval of the Base Prospectus in accordance with Article 25 of the Prospectus Regulation to the competent authorities in Germany, Liechtenstein and Spain, by providing each of them with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the Central Bank to provide competent authorities in other member states of the EEA with such certificates whether for the purposes of making a public offer in such member states or for admission to trading of all or any EUA Linked Securities on a regulated market therein or both.

Approval by the FCA under the UK Prospectus Regulation

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the “**FCA**”), as competent authority under the UK Prospectus Regulation. The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the EUA Linked Securities that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the EUA Linked Securities. Such approval relates only to the EUA Linked Securities which are admitted to trading on the London Stock Exchange (as defined below) or which are to be offered to the public in the United Kingdom (the “**UK**”). For the avoidance of doubt, such approval does not, therefore, extend to the offering of any EUA Linked Securities to the public in any member state of the EEA or to the application for admission to listing and trading on any regulated market for the purposes of MiFID II or on SIX (as defined below).

Admission to Listing and Trading

A Series of EUA Linked Securities may be listed on the official list of one or more of the following stock exchanges and be admitted to trading on the regulated market or other main market thereof: the Deutsche Börse Xetra (“**Xetra**”), the London Stock Exchange plc (the “**London Stock Exchange**”) (such market, the “**London Market**”), the SIX Swiss Stock Exchange (“**SIX**”) and/or such other stock exchanges and regulated markets or main markets as may be agreed between the Issuer and the Programme Administrator.

As at the date of this Base Prospectus, Xetra is a regulated market for the purposes of MiFID II.

References in this Base Prospectus to EUA Linked Securities being “listed” (and all related references) shall mean that such EUA Linked Securities have been admitted to the official list of the FCA and to trading on the London Market and/or admitted to listing on Xetra and to trading on Xetra and/or admitted to listing on SIX and to trading on SIX (as applicable).

This Base Prospectus will be valid for public offers in the EEA and admissions to trading on a regulated market in the EEA, and for public offers in the UK and admission to trading on the London Stock Exchange (as applicable) by or with the consent of the Issuer for 12 months from its date. The obligation to supplement this Base Prospectus in the event of any significant new factors, material mistakes or material inaccuracies will not apply after the earlier of that date, the closing of the offer period or the time when trading on a regulated market in the EEA or on the London Market, as the case may be, begins.

Rating

EUA Linked Securities issued under the Programme are unrated. However, a Securityholder should take such steps as it considers necessary to evaluate the ongoing risks and merits of a continued investment in such EUA Linked Security.

Responsibility for Base Prospectus and Consent to Use by Authorised Offerors

Any person (an “investor”) intending to acquire or acquiring any EUA Linked Securities from any person (an “offeror”) should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 (the “FSMA”), the Issuer may only be responsible to the investor for this Base Prospectus under section 90 of the FSMA if the Issuer has authorised the offeror to make the offer to the investor. Each investor should therefore enquire whether the offeror is so authorised by the Issuer. If the offeror is not authorised by the Issuer, the investor should check with the offeror whether anyone is responsible for this Base Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public, and, if so, who that person is. If the investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice. Where information relating to the terms of the relevant offer required pursuant to the Prospectus Regulation or the UK Prospectus Regulation (as applicable) is not contained in this Base Prospectus or the relevant Final Terms, it will be the responsibility of the relevant offeror at the time of such offer to provide the investor with such information. This does not affect any responsibility which the Issuer or others may otherwise have under applicable laws, including liabilities arising by virtue of the laws in the jurisdictions in which the EUA Linked Securities are offered or sold.

In respect of a Series of EUA Linked Securities, the Issuer authorises the Authorised Participants specified for such Series to make offers to investors on the terms and subject to (i) the restrictions set out in this Base Prospectus and the Final Terms relating to the relevant EUA Linked Securities and (ii) the relevant Authorised Participant Agreement. The Authorised Participant(s) in respect of each Series of EUA Linked Securities will be specified in the Final Terms relating to the relevant Series. The Issuer may, from time to time, appoint additional Authorised Participants or remove Authorised Participants in respect of the relevant Series of EUA Linked Securities. At the date of this Base Prospectus, the Authorised Participant in respect of a Series of EUA Linked Securities is FLOW TRADERS B.V., which has its registered office at Jacob Bontiusplaats 9, 1018 LL, Amsterdam, The Netherlands. The identity of the Authorised Participant(s) will be updated from time to time at www.ubs.com/ETF (or such other website as may be notified to Securityholders).

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus does not omit anything likely to affect the import of such information.

In addition:

- (a) UBS AG, London branch accepts responsibility for the information contained in the section entitled “*Description of the EUA Disposal Agent, the EUA Custodian and the Programme Administrator – Programme Administrator: UBS AG, London branch*”. To the best of the knowledge of UBS AG, London branch, the information contained in those parts of the Base Prospectus for which it is responsible is in accordance with the facts and those parts of the Base Prospectus make no omission likely to affect its import.
- (b) UBS Asset Management (UK) Limited accepts responsibility for the information contained in the section entitled “*Description of the EUA Disposal Agent, the EUA Custodian and the Programme Administrator – EUA Disposal Agent: UBS Asset Management (UK) Limited*”. To the best of the knowledge of UBS Asset Management (UK) Limited, the information contained in those parts of the Base Prospectus for which it is responsible is in accordance with the facts and those parts of the Base Prospectus make no omission likely to affect its import; and
- (c) UBS Europe SE, Luxembourg branch accepts responsibility for the information contained in the section entitled “*Description of the EUA Disposal Agent, the EUA Custodian and the Programme Administrator – EUA Custodian: UBS Europe SE, Luxembourg branch*”. To the best of the knowledge of UBS Europe SE, Luxembourg branch, the information contained in those parts of the Base Prospectus for which it is responsible is in accordance with the facts and those parts of the Base Prospectus make no omission likely to affect its import.

The Issuer consents to the use of this Base Prospectus (and accepts responsibility for the information contained in this Base Prospectus) by any Authorised Participant, Authorised Distributor (as defined below) or other financial intermediary in respect of that Series of EUA Linked Securities which is an investment firm:

- (a) within the meaning of MiFID II and which is authorised in accordance with MiFID II in any Member State, with respect to subsequent resale or final placement by way of public offer of a Series of EUA Linked Securities in any of Germany, Ireland, Liechtenstein and Spain; or
- (b) within the meaning of Regulation (EU) No 600/2014 as it forms part of “retained EU law”, as defined in the EUWA (“**UK MiFIR**”) and which is authorised in accordance with the Financial Services and Markets Act 2000, as amended (“**FSMA**”), with respect to subsequent resale or final placement by way of public offer of a Series of EUA Linked Securities in the UK,

(each being an “**Authorised Offeror**”), provided such Authorised Offeror complies with (a) the Selling Restrictions (as defined below) and (b) in the case of an Authorised Offeror that is not an Authorised Participant, the Authorised Offeror Terms set out below.

Such consent applies to any such resale or final placement by way of public offer during the period of 12 months from the date of the Base Prospectus unless such consent is withdrawn prior to that date by notice published on www.ubs.com/ETF (or such other website as may be notified to Securityholders). Other than the right of the Issuer to withdraw the consent and the aforementioned requirements applicable to Authorised Offerors, no other conditions are attached to the consent described in this paragraph. Any new information with respect to the identity of any new Authorised Participants will be published on www.ubs.com/ETF (or such other website as may be notified to Securityholders). An Authorised Offeror using this Base Prospectus is required to publish on its website that it uses this Base Prospectus in accordance with the consent of the Issuer and the conditions attached thereto. However, neither the Issuer nor UBS AG, London branch nor any Transaction Party has any responsibility for any of the actions of any Authorised Offeror (save where it is itself an Authorised Offeror acting in that capacity), including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The “**Authorised Offeror Terms**” are that the relevant Authorised Offeror will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer that it will, at all times in connection with the relevant offer to the public:

- (A) (I) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), including the MiFID II Directive, UK MiFIR, the Rules published by the Central Bank (including the applicable requirements of the Central Bank’s Consumer Protection Code) and the Rules published by the FCA (including its guidance for distributors in “*The Responsibilities of Providers and Distributors for the Fair Treatment of Customers*” and certain obligations under the Prospectus Regulation Rules, the Listing Rules and the Disclosure and Transparency Rules (each as set out and defined in the FCA’s Handbook of rules and guidance)) from time to time including (as applicable), without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the EUA Linked Securities by any person and any disclosure to any potential investor and (II) immediately inform the Issuer if at any time such Authorised Offeror becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
- (B) comply with the restrictions set out under “*Subscription and Sale*” in this Base Prospectus (“**Selling Restrictions**”) which would apply as if it were an Authorised Participant;
- (C) ensure that any fee (and any other commissions or benefits of any kind) received or paid by such Authorised Offeror in relation to the offer or sale of the EUA Linked Securities does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to investors or potential investors;
- (D) hold all licences, consents, approvals and permissions required in connection with the solicitation of interest in, or offers or sales of, the EUA Linked Securities under the Rules, including authorisation under the European Communities (Markets in Financial Instruments) Regulation 2007 and FSMA; and
- (E) (I) comply with applicable anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential investor prior to initial investment in any EUA Linked Securities by that investor) and (II) not permit any application for EUA Linked Securities in circumstances where such Authorised Offeror has any suspicions as to the source of the application monies.

Separately, each Authorised Participant has agreed, represented and warranted to the Issuer in the terms of its appointment under the relevant Authorised Participant Agreement that it will (amongst other things), at all times in connection with the relevant offer to the public:

- (1) comply with the Selling Restrictions and will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers EUA Linked Securities or has in its possession or distributes this Base Prospectus, any Final Terms relating to the relevant Series of EUA Linked Securities and/or any other offering or marketing material;
- (2) ensure that all actions or things required to be taken, fulfilled or done (including, without limitation, the obtaining of any consent or licence or the making of any filing or registration) for the subscription, sale and offer of any EUA Linked Securities and the performance of its obligations under the relevant Authorised Participant Agreement have been obtained and are in full force and effect; and
- (3) ensure that the execution and delivery of the relevant Authorised Participant Agreement and the carrying out of any other transactions contemplated by the relevant Authorised Participant Agreement do not and will not (X) conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the documents constituting it or any agreement or instrument to

which it is a party or by which it or any of its properties is bound or (Y) infringe any existing applicable law, rule, regulation, judgment, order or decree of any government, governmental body or court, domestic or foreign, having jurisdiction over it or any of its assets.

In the event of an offer being made by an Authorised Offeror, the Authorised Offeror will provide information to potential investors on the terms and conditions of the offer at the time the offer is made.

Any offer or sale of EUA Linked Securities to a potential investor by an Authorised Offeror will be made in accordance with any terms and other arrangements in place between such Authorised Offeror and such potential investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Base Prospectus or Final Terms, it will be the responsibility of the applicable Authorised Offeror at the time of such offer to provide the potential investor with that information and neither the Issuer, nor the Programme Administrator or any other Authorised Offeror has any responsibility or liability for such information.

Other than as set out above, the Issuer has not authorised (nor does it authorise or consent to the use of this Base Prospectus in connection with) any resale or final placement of the EUA Linked Securities by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or Authorised Offerors and none of the Issuer or Authorised Offerors has any responsibility or liability for the actions of any person making such offers. Potential investors should enquire whether a financial intermediary is an Authorised Offeror. If a potential investor is offered EUA Linked Securities by a person or entity which is not an Authorised Offeror, the potential investor should check with such person or entity whether such entity is responsible for this Base Prospectus in the context of such offer of EUA Linked Securities to the public. If the potential investor is in doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents, it should take legal advice.

To the fullest extent permitted by law, no Authorised Offeror or Transaction Party accepts any responsibility for the contents of this Base Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Issuer or the issue and offering of the EUA Linked Securities. Each Authorised Offeror and Transaction Party disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus, the EUA Linked Securities, any Transaction Document or any such statement.

The Authorised Participants may appoint distributors or brokers in connection with the offering of EUA Linked Securities and may pay commissions or fees to such distributors or brokers in relation to the relevant Series of EUA Linked Securities (any such appointed distributor or broker being an “**Authorised Distributor**”). If any commissions or fees relating to the issue and sale of these EUA Linked Securities have been paid or are payable by an Authorised Participant to a distributor or broker, then such distributor or broker may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such distributor or broker, including any legislation, regulation and/or rule implementing MiFID II, or as otherwise may apply in any non-EEA jurisdictions. Potential investors in these EUA Linked Securities should ensure that they have been informed about the fee or commission arrangements by the distributor or broker before making any purchase of the EUA Linked Securities.

Other Representations not to be relied on

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the EUA Linked Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Programme Administrator, any Authorised Offeror, the Calculation Agent or any other Transaction Party.

Possible Change in Circumstances of the Issuer

Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Investors to Make Own Assessment

This document identifies in general terms certain information that a potential investor should consider prior to making an investment in the EUA Linked Securities. However, a potential investor should conduct its own thorough analysis (including its own accounting, legal, regulatory, financial, tax, environmental, social and governance analysis) prior to deciding whether to invest in any EUA Linked Securities issued under the Programme. Any evaluation of the suitability for a potential investor in an investment in EUA Linked Securities issued under the Programme depends upon that potential investor's particular financial and other circumstances, as well as on the specific terms of the relevant EUA Linked Securities.

EUA Linked Securities issued under the Programme are not sustainability-linked instruments and the information contained in this Base Prospectus does not consider sustainability factors. In addition, this Base Prospectus does not, directly or implicitly, provide any environmental, social or governance advice on any matter whatsoever and potential investors should consult with any advisors they deem appropriate prior to a purchase of EUA Linked Securities.

An investment in the EUA Linked Securities is suitable for potential investors who:

- (i) are either retail or professional and seeking to achieve investment objectives which align with those of the relevant EUA Linked Securities in the context of the investor's overall portfolio;
- (ii) are expected to be able to make an investment decision based on the information set out in this Base Prospectus and the relevant KID (applicable for EEA, Swiss and UK retail investors) or, alternatively, to obtain professional advice;
- (iii) are able to bear capital and income risk and view investment in the EUA Linked Securities as a medium to long term investment, though the EUA Linked Securities may also be suitable for shorter term exposure where sought by an investor; and
- (iv) have an asset base sufficiently substantial as to enable them to sustain any loss of an investment in the relevant EUA Linked Securities and have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant EUA Linked Securities including, without limitation, any currency exposure arising from the currency for payments being different to the potential investor's currency.

If a potential investor is in any doubt as to whether the EUA Linked Securities are a suitable investment for it, it should consult with appropriate advisers prior to deciding whether or not to make an investment in the EUA Linked Securities.

Benchmark Administrators

Under Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"), benchmark administrators had to apply for authorisation or registration as an administrator before 1 January 2020. Upon such authorisation or registration, the benchmark administrator or the benchmark will appear on the register of administrators

and benchmarks established and maintained by (i) the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (the “**EU Register**”) or (ii) the FCA pursuant to article 36 of the Benchmark Regulation as it forms part of “retained EU law”, as defined the European Union (Withdrawal) Act 2018 (as amended) (the “**UK Register**”), as applicable. In respect of EUA Linked Securities the return on which is linked to the performance of EUAs, amounts payable thereunder may be calculated by reference to the EEX EUA Spot, which is provided by European Energy Exchange AG (the “**EEX**”). As at the date of this Base Prospectus, EEX appears on the EU Register but not on the UK Register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EEX is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

The Master Terms and Conditions of the EUA Linked Securities set out the actions that will be taken in the event that a benchmark materially changes or ceases to be provided in accordance with article 28 of the Benchmark Regulation.

Fees, Costs and Charges

This Base Prospectus and the Final Terms relating to the EUA Linked Securities contain certain information relating to fees and costs and charges applicable to the EUA Linked Securities. If the potential investor is advised by third parties (in particular companies providing services related to financial instruments, such as credit institutions and investment firms) when acquiring the EUA Linked Securities, or if the third parties mediate the purchase, such third parties may have to provide the potential investor, as the case may be, with a breakdown of costs and charges or expense ratios that are not laid out in the cost details in this Base Prospectus or the Final Terms relating to the EUA Linked Securities.

Potential investors should note that the information provided by third parties on all relevant costs and charges may vary from one party to the other due to these third parties additionally invoicing the costs of their own services (e.g., a surcharge or, where applicable, recurrent brokering or advisory fees, depositary fees, etc.).

No Investment Advice or Assessment of Suitability or Lawfulness of Acquisition

This document is not, and does not purport to be, investment advice, and none of the Issuer, the Programme Administrator or any other Transaction Party makes any recommendation as to the suitability of the EUA Linked Securities as an investment. The provision of this document to potential investors is not based on any potential investor’s individual circumstances and should not be relied upon as an assessment of suitability for any potential investor in the EUA Linked Securities. Even if the Issuer, the Programme Administrator or another Transaction Party possesses information as to the objectives of any potential investor in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for such person of the EUA Linked Securities. Any trading or investment decisions a potential investor takes are in reliance on its own analysis and judgment and/or that of its advisers and not in reliance on the Issuer, the Programme Administrator, any other Transaction Party or any of their respective Affiliates.

None of the Issuer, the Programme Administrator, any other Transaction Party or any Affiliate of such persons has or assumes responsibility for the lawfulness of the acquisition of the EUA Linked Securities by a potential investor in the EUA Linked Securities (whether for its own account or for the account of any third party), whether under the laws of the jurisdiction of its incorporation or any jurisdiction in which it operates (if different), or for compliance by that investor (or any such third party) with any law, regulation or regulatory policy applicable to it.

Investment activities of certain potential investors are subject to investment laws and regulations or review or regulation by certain authorities. Each potential investor in the EUA Linked Securities must determine,

based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the EUA Linked Securities:

- (i) is fully consistent with its (or, if it is acquiring the EUA Linked Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition;
- (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (and, if it is acquiring the EUA Linked Securities in a fiduciary capacity, the beneficiary);
- (iii) is not a breach of any legal, contractual or regulatory restrictions applicable to it; and
- (iv) is a fit, proper and suitable investment for it (or, if it is acquiring the EUA Linked Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the EUA Linked Securities.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of EUA Linked Securities under any applicable risk-based capital or similar rules.

Distribution and No Offer

The distribution of this Base Prospectus and the offering or sale of the EUA Linked Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, all Authorised Offerors and the Programme Administrator to inform themselves about and to observe any such restrictions.

The Issuer will ensure that a key information document is issued in respect of each Series of EUA Linked Securities for potential retail investors located in the EEA, pursuant to the PRIIPs Regulation (as defined below) and for retail investors located in the UK, pursuant to the UK PRIIPs Regulation (as defined below), as may be amended from time to time (any such key information document hereinafter referred to as the "**KID**"). EEA, Swiss and UK retail investors can refer to the KID for the relevant EUA Linked Securities for details of, principally, the purpose of the EUA Linked Securities, the summary risk indicator, performance scenarios, the summary cost indicator and recommended holding period for the relevant EUA Linked Securities in accordance with Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products, as may be amended from time to time (the "**PRIIPs Regulation**") and Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products as it forms part of "**retained EU law**", as defined in the EUWA (the "**UK PRIIPs Regulation**").

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Programme Administrator or any Transaction Party to subscribe for, or purchase, any EUA Linked Securities.

For a description of certain restrictions on offers and sales of EUA Linked Securities and on the distribution of this Base Prospectus, see the section titled "*Subscription and Sale*".

United States Selling Restrictions

THE EUA LINKED SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR UNDER THE SECURITIES LAW OF ANY STATE OR POLITICAL SUB-DIVISION OF THE UNITED STATES OF AMERICA OR ANY OF ITS TERRITORIES, POSSESSIONS OR OTHER AREAS SUBJECT TO ITS JURISDICTION INCLUDING THE COMMONWEALTH OF PUERTO RICO, AND THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER ANY FEDERAL LAWS OF THE UNITED STATES OF AMERICA. NO PERSON HAS REGISTERED NOR WILL REGISTER AS A COMMODITY POOL OPERATOR OF THE ISSUER UNDER THE COMMODITY EXCHANGE ACT OF 1936, AS AMENDED

(THE “**CEA**”) AND THE RULES THEREUNDER (THE “**CFTC RULES**”) OF THE COMMODITY FUTURES TRADING COMMISSION (THE “**CFTC**”). ANY OFFER OR SALE OF THE EUA LINKED SECURITIES MUST BE MADE IN AN OFFSHORE TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PURSUANT TO REGULATION S THEREUNDER (“**REGULATION S**”). THE EUA LINKED SECURITIES MAY NOT AT ANY TIME BE OFFERED, SOLD, OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS WHO ARE EITHER (A) U.S. PERSONS AS DEFINED IN REGULATION S OR (B) PERSONS WHO DO NOT COME WITHIN THE DEFINITION OF A NON-UNITED STATES PERSON UNDER CFTC RULE 4.7 (EXCLUDING FOR THE PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION TO THE EXTENT IT WOULD APPLY TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS).

THE EUA LINKED SECURITIES MAY NOT BE LEGALLY OR BENEFICIALLY OWNED BY ANY ENTITY THAT IS, OR THAT IS USING THE ASSETS OF, (A)(I) AN “**EMPLOYEE BENEFIT PLAN**” (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”)) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY REQUIREMENTS OF TITLE I OF ERISA, (II) A “**PLAN**” TO WHICH SECTION 4975 OF THE CODE APPLIES, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE “**PLAN ASSETS**” (AS DETERMINED PURSUANT TO THE “**PLAN ASSETS REGULATION**” ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR AT 29 C.F.R. SECTION 2510.3-101 AS MODIFIED BY SECTION 3(42) OF ERISA) OR OTHERWISE UNDER ERISA BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN’S OR PLAN’S INVESTMENT IN THE ENTITY (ANY SUCH PLAN OR ENTITY DESCRIBED IN (I), (II) OR (III), A “**BENEFIT PLAN INVESTOR**”) OR (B) A NON-U.S. PLAN, GOVERNMENTAL PLAN, CHURCH PLAN OR OTHER PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT IS SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (A “**SIMILAR LAW**”) UNLESS ITS ACQUISITION AND HOLDING AND DISPOSITION OF ANY EUA LINKED SECURITY, OR ANY INTEREST THEREIN, HAS NOT AND WILL NOT CONSTITUTE A VIOLATION OF SUCH SIMILAR LAW.

No Verification or Review by Programme Administrator or any other Transaction Party

None of the Programme Administrator or any other Transaction Party has separately verified the information contained in this Base Prospectus (save as otherwise provided above) and accordingly none of them makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may, at any time, be supplied in connection with the EUA Linked Securities or their distribution and none of them accepts any responsibility or liability therefor. None of the Programme Administrator or any other Transaction Party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the EUA Linked Securities of any information coming to their attention.

Issuer obligations only

No person other than the Issuer will be obliged to make payments on the EUA Linked Securities of any Series and the EUA Linked Securities issued under the Programme will not be guaranteed by, or be the responsibility of, any other entity. In particular, the EUA Linked Securities (i) do not represent an interest in and will not be obligations of, or insured or guaranteed by, the Programme Administrator, any Transaction Party or any Affiliate or any company associated with any of them, (ii) will not have the status of a bank deposit in Ireland or the UK and will not be within the scope of any deposit scheme operated by the Central Bank or the Financial Services Compensation Scheme operated by the Bank of England and (iii) are not insured or guaranteed by any government, government agency or other body.

Collective investment scheme

The EUA Linked Securities are debt securities and do not take the form of a collective investment scheme or fund. However, there can be no assurance that the courts or regulatory authorities in any jurisdiction would not recharacterise the EUA Linked Securities as units in a collective investment scheme or a fund. Any recharacterisation of the EUA Linked Securities as units in a collective investment scheme or a fund may have adverse consequences (including, without limitation, adverse tax consequences or early redemption) for an investor.

The EUA Linked Securities are not units in an authorised collective investment scheme for the purposes of the FSMA or the FCA Handbook Collective Investment Schemes sourcebook.

The EUA Linked Securities do not constitute units of a collective investment scheme as defined in the Swiss Federal Act on Collective Investment Schemes (“**CISA**”) and therefore are not subject to the protection provisions of the CISA or an authorisation of the Swiss Financial Market Supervisory Authority (“**FINMA**”).

Potential investors comprising a scheme which is an undertaking for collective investment in transferable securities subject to the Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (No 2009/65/EC) (the “**UCITS Directive**”), as amended or supplemented, need to satisfy themselves that an investment in the EUA Linked Securities would comply with any regulations and/or guidelines applicable to them pursuant to the UCITS Directive and any laws, regulations or guidelines of their jurisdiction of incorporation and would be in line with their individual investment objectives.

Each Series of EUA Linked Securities is linked to a number of EUAs. Potential investors who are subject to the requirements of the UCITS Directive need to satisfy themselves that any investment in EUA Linked Securities conforms to the eligibility criteria required in accordance with the UCITS Directive.

Alternative Investment Fund Managers Directive

The European Union Directive 2011/61/EU on Alternative Investment Fund Managers (“**AIFMD**”) regulates alternative investment fund managers (“**AIFMs**”) and provides in effect that each alternative investment fund (an “**AIF**”) within the scope of the AIFMD must have a designated AIFM responsible for ensuring compliance with the AIFMD. Although there is an exemption in the AIFMD for “securitisation special purpose entities” (the “**SSPE Exemption**”), the European Securities and Markets Authority has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it, so there can be no certainty as to whether the Issuer would benefit from the SSPE Exemption.

However, the Central Bank has confirmed that pending such further clarification from ESMA, (i) “registered financial vehicle corporations” within the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank, and (ii) financial vehicles engaged solely in activities where economic participation is by way of debt or corresponding instruments which do not provide ownership rights in the financial vehicle as are provided by the sale of units or shares, do not need to seek authorisation as, or appoint, an AIFM, unless the Central Bank issues further guidance advising them to do so.

On the basis of the current Central Bank guidance on the issue outlined above, the Issuer should not fall within the ambit of AIFMD or the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) which implement AIFMD in Ireland and therefore the Issuer should not need to seek authorisation as, or appoint, an AIFM.

Interpretation

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

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “euro”, “EUR” and “€” are to the lawful currency of those Member States that have adopted the single currency of the EU. All references in this Base Prospectus to any time shall be expressed using the 24-hour clock convention.

Supplementary Prospectus

The Issuer shall prepare a supplement to this Base Prospectus, or publish a new base prospectus whenever required by the guidelines of any stock exchange on which EUA Linked Securities are listed, or pursuant to Article 23 of the Prospectus Regulation and/or pursuant to Article 23 of the UK Prospectus Regulation if there is a significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus which may affect the assessment of the EUA Linked Securities.

TABLE OF CONTENTS

This table sets out the contents of this Base Prospectus together with an outline description of the contents of each section.

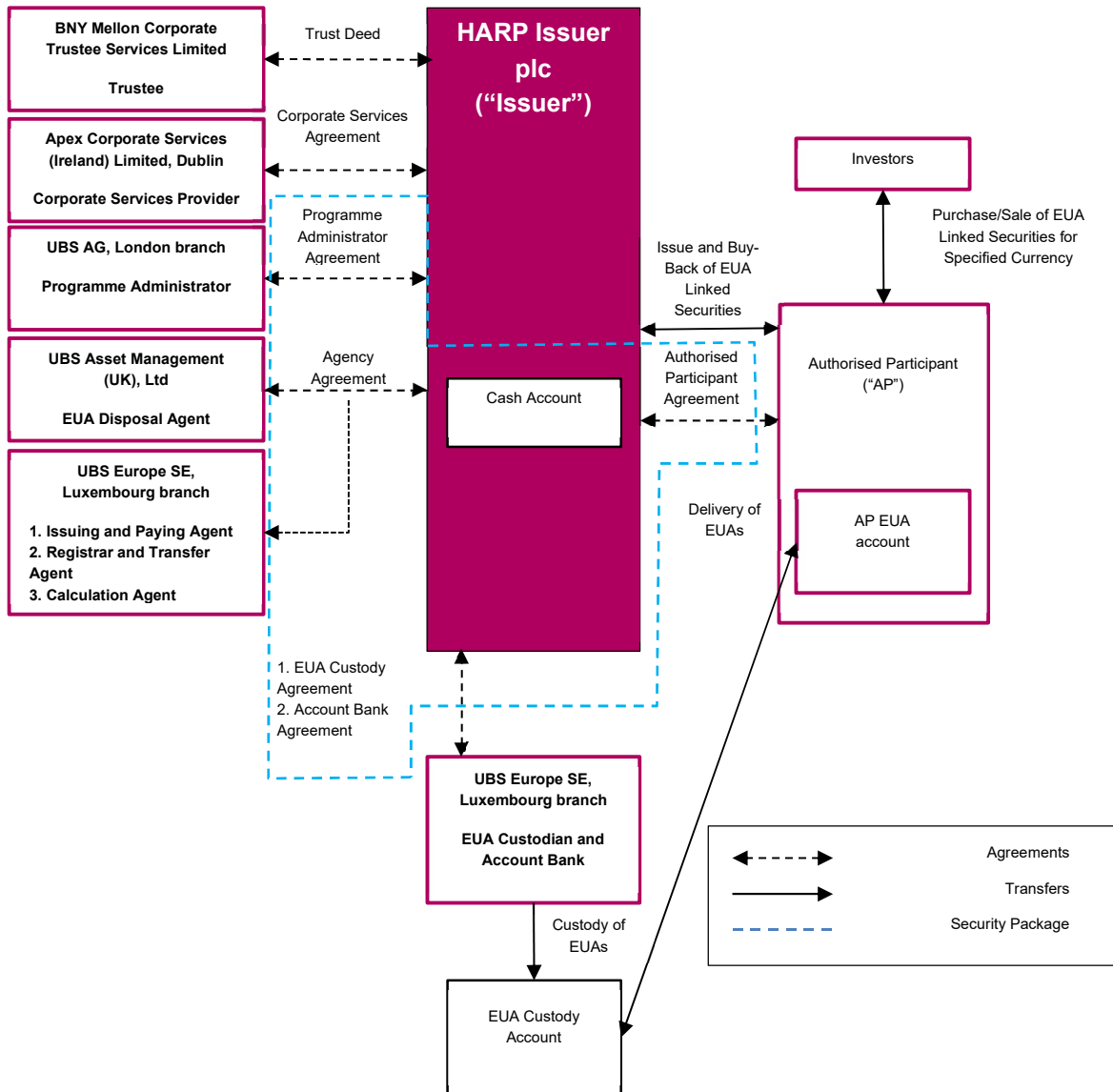
Section of Base Prospectus	Pages	What is covered by this Section?
Important Notices	2	<i>This section sets out important legal notices relating to the EUA Linked Securities.</i>
Overview of the Programme	15	<i>This section provides an overview of the key information contained within this Base Prospectus with placeholders for information specific to each issue of EUA Linked Securities.</i>
Risk Factors	26	<i>This section sets out the principal risks inherent in investing in EUA Linked Securities, including key risks relating to investments linked to EUAs.</i>
Documents Incorporated by Reference	48	<i>This section incorporates selected financial information regarding the Issuer from other publicly available documents.</i>
Conflicts of Interest	49	<i>This section sets out any potential conflicts of interest between the Transaction Parties relating to the EUA Linked Securities.</i>
Information about EUAs	51	<i>This section sets out general information about EUAs.</i>
Frequently Asked Questions	53	<i>This section is intended to answer some of the questions which investors may have when considering an investment in the EUA Linked Securities.</i>
Worked Examples	62	<i>This section sets out worked examples in respect of the EUA Linked Securities.</i>
Master Terms and Conditions of the EUA Linked Securities	64	<i>This section sets out the detailed contractual terms of the EUA Linked Securities. Where the Master Terms and Conditions of the EUA Linked Securities indicate that an option may be specified in the Final Terms, the Final Terms will indicate which of these options shall apply.</i>
Summary of Transaction Documents	120	<i>This section sets out descriptions of the main agreements entered into by the Issuer in respect of the EUA Linked Securities.</i>
Reasons for the Offer and Use of Proceeds	124	<i>This section describes what the Issuer does with the issue proceeds of the EUA Linked Securities.</i>
Description of the Issuer	125	<i>This section provides a description of the Issuer's activities as well as certain financial information in respect of the Issuer.</i>
Description of the EUA Disposal Agent, the EUA Custodian and the Programme Administrator	128	<i>This section gives disclosure regarding certain important parties who have a role in relation to the Programme.</i>

Section of Base Prospectus	Pages	What is covered by this Section?
Taxation	132	<i>This section sets out certain taxation considerations relating to EUA Linked Securities.</i>
Subscription and Sale	149	<i>This section sets out certain restrictions as to who can purchase EUA Linked Securities in certain jurisdictions.</i>
Form of Final Terms	153	<i>This section sets out a template for the Final Terms to be used for each specific issuance of EUA Linked Securities.</i>
General Information	158	<i>This section provides additional information relating to EUA Linked Securities.</i>

OVERVIEW OF THE PROGRAMME

The following overview of the Programme is qualified in its entirety by the remainder of this document. Terms used in this overview and not defined have the meanings given to them in the Conditions.

Structure Diagram:



Issuer: HARP Issuer PLC is a special purpose vehicle incorporated in Ireland whose principal business is the issue of limited recourse securities and entering into transactions related to the issuance of those securities, to the extent permitted under the Programme and all applicable laws and regulations.

Programme: Secured EUA Linked Issuance Programme pursuant to which the Issuer may issue secured EUA Linked Securities (the “**Programme**”). In respect of any Series of EUA Linked Securities, the Final Terms relating to such EUA Linked Securities will specify detailed terms applicable to such Series of EUA Linked Securities.

Series: The first Series of EUA Linked Securities to be issued under the Programme is the UBS European Physical Carbon ETC.

Transaction Parties

Programme Administrator: UBS AG, London branch is the Programme Administrator. In such role, it provides such assistance to the Issuer as may reasonably be required, from time to time, for the operation of the Programme in the ordinary course of business. Its duties include the calculations, determinations and other duties expressed to be performed by it in the Conditions and pursuant to the Programme Administrator Agreement.

Trustee: BNY Mellon Corporate Trustee Services Limited acts as the Trustee in respect of each Series of EUA Linked Securities. The Trustee acts as trustee for the Securityholders and also as security trustee (holding the benefit of the Security granted by the Issuer over certain of its assets in respect of a Series on trust for the Securityholders and other Transaction Parties in respect of that Series).

Calculation Agent: UBS Europe SE, Luxembourg branch acts as the Calculation Agent in respect of each Series of EUA Linked Securities. Its duties include the calculation of the EUA Entitlement per EUA Linked Security and the Value per EUA Linked Security, as well as performing certain administrative tasks for the Issuer with respect to the EUA Linked Securities.

EUA Disposal Agent: UBS Asset Management (UK) Limited acts as the EUA Disposal Agent in respect of each Series of EUA Linked Securities. Its duties include the sale of the Underlying EUAs whether in connection with the redemption of the relevant EUA Linked Securities at final maturity, on an early redemption or on an ongoing basis to enable the Issuer to pay the applicable portion of the accrued Total Expense Ratio to each of the Programme Administrator, the EUA Custodian and the EUA Disposal Agent respectively.

EUA Custodian: UBS Europe SE, Luxembourg branch acts as the EUA Custodian. The EUA Custodian will hold the Underlying EUAs for a Series of EUA Linked Securities in its account in the Luxembourg section of the Union Registry as custodian for the Issuer. In connection with a new issuance of EUA Linked Securities, any EUAs delivered by an Authorised Participant in respect of the relevant Series of EUA Linked Securities will be delivered to the EUA Custody Account in accordance with Condition 8(a) (*Further Issues*) and/or the relevant Authorised Participant Agreement.

Issuing and Paying Agent: UBS Europe SE, Luxembourg branch is the Issuing and Paying Agent being the entity which, *inter alia*, sends the Registered Global Certificate to the common depository or nominee, as applicable, on behalf of the Relevant Clearing System(s) and makes payments under the EUA Linked Securities.

Registrar and Transfer Agent: UBS Europe SE, Luxembourg branch is the Transfer Agent being the entity which, *inter alia*, upon presentation of the Registered Global Certificate, notifies the Registrar of any transfer of ownership of the applicable amount of Registered Securities and the Registrar, being the entity which, *inter alia*, maintains the Register for each Series of EUA Linked Securities which contains the record of all EUA Linked Securities of such Series issued by the Issuer.

Account Bank: UBS Europe SE, Luxembourg branch acts as the Account Bank and maintains the Cash Account.

Authorised Participants: The Authorised Participants buy and sell EUA Linked Securities directly from and to the Issuer (although Non-Authorised Participant Securityholders may also sell EUA Linked Securities to the Issuer). In connection with any such purchase or sale, the Authorised Participant will deliver or receive (as applicable) a number of EUAs equal to the prevailing EUA Entitlement per EUA Linked Security (subject to rounding) against payment by the Issuer of an amount equal to the Subscription Payment Amount or Buy-Back Payment Amount (as applicable) in accordance with Condition 8(a) (*Further Issues*) or Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*). Authorised Participants may also act as market makers, i.e., they may buy and sell EUA Linked Securities from and to investors on an over-the-counter basis or via a stock exchange.

At the date of this Base Prospectus, the Authorised Participant in respect of a Series of EUA Linked Securities is FLOW TRADERS B.V., which has its registered office at Jacob Bontiusplaats 9, 1018 LL, Amsterdam, The Netherlands. The identity of the Authorised Participant(s) will be updated from time to time at www.ubs.com/ETF (or such other website as may be notified to Securityholders).

Overview of the Programme

Transaction Structure: The Issuer has established this programme for the issue of EUA Linked Securities whose return is linked to the price of EUAs. EUAs represent an entitlement to emit a specific volume of carbon dioxide equivalent or other greenhouse gas. Each Series of EUA Linked Securities will be separate (or “ring-fenced”) from each other Series of EUA Linked Securities.

Each EUA Linked Security is issued by the Issuer to an Authorised Participant. The Issuer will, in connection with each issue of EUA Linked Securities, receive a number of EUAs from the Authorised Participant(s) subscribing for the EUA Linked Securities sufficient to cover the aggregate EUA Entitlement per EUA Linked Security (subject to rounding) in accordance with Condition 8(a) (*Further Issues*) and/or the relevant Authorised Participant Agreement. The EUAs received by the Issuer will be held by the EUA Custodian, as custodian for the Issuer, in an EUA Custody Account. A separate EUA Custody Account

shall be opened and maintained in respect of each Series of EUA Linked Securities.

In respect of each Series of EUA Linked Securities, on the Series Issue Date, the EUA Entitlement per EUA Linked Security is equal to one. On each subsequent calendar day, the EUA Entitlement per EUA Linked Security is equal to the EUA Entitlement per EUA Linked Security for the immediately preceding calendar day, reduced by the application of the Total Expense Ratio for one calendar day. The Calculation Agent is required to calculate the EUA Entitlement per EUA Linked Security on each calendar day and the Value per EUA Linked Security on each Valuation Day. The Value per EUA Linked Security in respect of a Valuation Day is equal to the EUA Entitlement per EUA Linked Security multiplied by the EUA Reference Price, each in respect of the relevant Valuation Day.

The application of the Total Expense Ratio to reduce the EUA Entitlement per EUA Linked Security operates as a charge on Securityholders. In respect of each Series of EUA Linked Securities, the EUA Disposal Agent will, on behalf of the Issuer, periodically realise Underlying EUAs representing the aggregate reduction in the EUA Entitlement per EUA Linked Security for such Series since the previous realisation (subject to rounding). The proceeds will be credited to the Cash Account maintained by the Account Bank in relation to the relevant Series of EUA Linked Securities and used by the Issuer to fund the fees payable to each of the Programme Administrator, the EUA Custodian and the EUA Disposal Agent in accordance with the relevant Programme Administrator Agreement, Agency Agreement and EUA Custody Agreement.

No amounts or assets are payable or deliverable (as applicable) under the EUA Linked Securities prior to their Scheduled Maturity Date or any buy-back unless the EUA Linked Securities redeem early, in which case each EUA Linked Security will become due and payable at its Early Redemption Amount.

In respect of a buy-back, the relevant Authorised Participant or Non-Authorised Participant Securityholder requesting the buy-back will receive a number of EUAs equal to the Buy-Back Settlement Amount from the Issuer in accordance with Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*) or Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*). Where the buy-back is requested by an Authorised Participant, the relevant investor (following the sale of its holding of EUA Linked Securities to the Authorised Participant) will receive a cash amount from the relevant Authorised Participant as agreed between them (which may be an amount which is more than, equal to, or less than the Value per EUA Linked Security in respect of the relevant Buy-Back Trade Date). EUA Linked Securities which are purchased by or on behalf of the Issuer in respect of a buy-back shall be cancelled.

Description of underlying assets:

The underlying assets in respect of a Series of EUA Linked Securities are the EUAs held by the EUA Custodian in the EUA Custody Account in respect of such Series of EUA Linked Securities.

The EUA Linked Securities provide investors with exposure to EUAs without having to take physical delivery of them, as the value of the EUA Linked Securities is linked to the value of EUAs. In order to back its obligations under the EUA Linked Securities, the Issuer will seek to hold enough EUAs to meet its obligations under the EUA Linked Securities.

EUAs have characteristics that demonstrate the capacity to produce funds to meet payments due on the EUA Linked Securities as they can be sold by the EUA Disposal Agent on behalf of the Issuer to allow the Issuer to meet such payment obligations. For the avoidance of doubt, Securityholders do not have the right to receive delivery of any Underlying EUAs on final maturity or on an early redemption; any amounts payable on the EUA Linked Securities on final maturity or on an early redemption will be made in cash and investing in the EUA Linked Securities will not make an investor the owner of the Underlying EUAs. However, Non-Authorised Participant Securityholders do have the ability to request a buy-back of their EUA Linked Securities and, subject to certain criteria being met (as outlined in Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*)), will receive Underlying EUAs if they do so.

Description of the flow of funds:

The Issuer will receive from the relevant Authorised Participant, in connection with each issue of EUA Linked Securities, a number of EUAs sufficient to cover the aggregate EUA Entitlement per EUA Linked Security (subject to rounding) in accordance with Condition 8(a) (*Further Issues*) and/or the relevant Authorised Participant Agreement. Issuance and settlement of the corresponding EUA Linked Securities shall occur pursuant to the relevant Agency Agreement and Authorised Participant Agreement.

In respect of a buy-back, the Issuer will cause to be delivered to the relevant Authorised Participant or Non-Authorised Participant Securityholder, depending on who has requested the buy-back, a number of EUAs sufficient to cover the aggregate EUA Entitlement per EUA Linked Security of the number of EUA Linked Securities being purchased by the Issuer (subject to rounding) in accordance with Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*) or Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*). EUA Linked Securities which are purchased by or on behalf of the Issuer in respect of a buy-back shall be cancelled.

The Issuer funds payments under the EUA Linked Securities of a Series at final maturity or on an early redemption from the proceeds of the sale by the EUA Disposal Agent of the Underlying EUAs in respect of that Series of EUA Linked Securities.

Type of securities:

Each Series of EUA Linked Securities will consist of Registered Securities. Registered Securities will be represented by a registered global certificate which may be exchanged for one or more definitive registered securities (each represented by a definitive registered securities certificate) in the circumstances set out therein.

Description of the rights attaching to the EUA Linked Securities

Maturity and Redemption:	The Issuer will set the Scheduled Maturity Date of a Series of EUA Linked Securities prior to the issue of that Series of EUA Linked Securities. The Scheduled Maturity Date of the EUA Linked Securities will be specified in the Final Terms (but is subject to extension in certain circumstances). The EUA Linked Securities will only redeem prior to the Scheduled Maturity Date if there is a buy-back or early redemption.
Extension of Scheduled Maturity Date:	Provided that certain conditions have been met, the Issuer may extend the Scheduled Maturity Date in accordance with Condition 18(d) (<i>Extension of the Scheduled Maturity Date</i>).
Payment of Final Redemption Amount:	Unless previously redeemed in whole (due to an early redemption) or purchased and cancelled by the Issuer (due to a buy-back), the EUA Linked Securities of each Series will become due and payable on their Scheduled Maturity Date at their Final Redemption Amount.
Payment of Early Redemption Amount:	If a Series of EUA Linked Securities is redeemed early, an Early Redemption Amount will be payable by the Issuer on the Early Redemption Date.
Interest:	The EUA Linked Securities will not pay periodic interest. On early or final redemption of the EUA Linked Securities, a Specified Interest Amount may be payable by the Issuer as part of the Final Redemption Amount or Early Redemption Amount (as applicable) payable per EUA Linked Security.
Explanation of how the interest amount is affected by the value of the Underlying EUAs:	The Specified Interest Amount is an amount of interest equal to an EUA Linked Security's <i>pro rata</i> share of the amount of interest which has accrued (at the rate of interest then applicable in respect of the Cash Account (from time to time)) (if any) on the proceeds of realisation of the Underlying EUAs which have been deposited into the Cash Account during the Final Redemption Disposal Period or the Early Redemption Disposal Period (as applicable), subject to a minimum of zero. The rate of interest applicable in respect of the Cash Account may be positive, negative or zero. Where the amount of interest so accrued is negative, such amount will be deducted from the sale proceeds of the Underlying EUAs and the Final Redemption Amount or Early Redemption Amount (as applicable) payable to Securityholders will be reduced accordingly.
Status:	The EUA Linked Securities are secured, limited recourse obligations of the Issuer and rank equally amongst themselves. Securityholders will not, by reason of holding such Series, have any claim against the Issuer with respect to any other Series of EUA Linked Securities.
Security:	The obligations of the Issuer under the EUA Linked Securities of a Series will be secured pursuant to the relevant Trust Deed granting, <i>inter alia</i> , (i) English law security interests over the rights of the Issuer under the agreements entered into by it in respect of that Series, (ii) a first ranking pledge under Luxembourg law over the present and future claims, rights, title, interest and benefit (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) of the Issuer against the EUA Custodian under

the EUA Custody Agreement in respect of the relevant Series of EUA Linked Securities and (iii) a first ranking pledge under Luxembourg law of all present and future assets, rights, claims and distributions (including all income, payments, interest, proceeds, revenues, title, benefits, products, property, sum received, receivable or otherwise distributed) held in or in connection with any financial instruments accounts opened by the Issuer with the EUA Custodian in respect of the relevant Series of EUA Linked Securities including, for the avoidance of doubt, securities (including any securities and similar instruments (a) credited, by way of book entry (*inscription en compte*), or as otherwise deposited or held, in each case without specification of numbers or other individual identification elements, on a fungible basis or (b) otherwise registered and/or referenced and/or referred to in the account or the EUA Custodian's books and/or held in any other manner by the EUA Custodian for the account of the Issuer on a contractual basis or otherwise (including as a nominee)), cash and other rights and the property held therein or credited thereto; and (iv) a first ranking pledge under Luxembourg law of all present and future amounts, rights and claims (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) held in, or in relation to, the Cash Account under the Account Bank Agreement in respect of the relevant Series of EUA Linked Securities. The assets and property that are the subject of such security interests are referred to as Mortgaged Property for that Series. Securityholders will not, by reason of holding such Series, have any claim against the Mortgaged Property with respect to any other Series of EUA Linked Securities.

The Security over the Mortgaged Property in respect of a Series of EUA Linked Securities will become enforceable upon the occurrence of an Event of Default.

**Early Redemption Events
and Events of Default:**

The EUA Linked Securities of a Series (or, in the case of (xiv) and (xv), the Affected Securities only) may become due and payable prior to their Scheduled Maturity Date upon the occurrence of any of the following Early Redemption Events:

- (i) certain legal or regulatory changes occur in relation to the Issuer;
- (ii) any Agent or all of the Authorised Participants resigns or their appointment is terminated, and the Issuer gives notice that no successor or replacement has been appointed within a 60 calendar day period;
- (iii) the Issuer will, or there is a substantial likelihood that it will, be required to make a payment in respect of VAT or be required to account for any other Taxes in respect of a delivery of Underlying EUAs in connection with a subscription or buy-back (where such VAT is irrecoverable for the Issuer and whether or not such Taxes (excluding VAT) are recoverable for the Issuer);
- (iv) the Specified Currency ceases to exist as a lawful currency;
- (v) one per cent. or more of the total number of Underlying EUAs are stolen from the EUA Custody Account;
- (vi) certain events occur with respect to the EUA Custodian including, amongst other things, the insolvency or default thereof and no

successor or replacement has been appointed within 60 days of the date of such event;

- (vii) certain changes are adopted or proposed in respect of EUAs which result in it being unlawful for the Issuer, the EUA Custodian or the EUA Disposal Agent to hold, receive or deliver EUAs or to comply with any other material provision of any agreement entered into in connection with the Underlying EUAs;
- (viii) following an announcement, change in law or regulation or confirmation by the European Council or Commission, EUAs held in the EUA Custody Account in respect of a Series of EUA Linked Securities that were issued in a previous Compliance Phase cease to be eligible for compliance with obligations under the current Compliance Phase or will not be eligible for compliance with obligations under a future Compliance Phase;
- (ix) the Scheme is, as a result of official written public pronouncement by the EU, no longer scheduled to proceed or is to be discontinued;
- (x) the EUA Custody Account is closed (or required to be closed) or the Registry Agreement is terminated and a replacement or successor account or agreement (as applicable) has not yet been opened or entered into;
- (xi) the Issuer gives notice to the Securityholders that it has elected to redeem the EUA Linked Securities;
- (xii) there is a materially increased cost for the Programme Administrator, the Calculation Agent, the EUA Custodian or the EUA Disposal Agent in respect of the Programme or the EUA Linked Securities;
- (xiii) certain events occur in relation to a Reference Rate and the Calculation Agent is unable to identify a replacement Reference Rate;
- (xiv) the Issuer or the Programme Administrator becomes aware that any EUA Linked Securities of a Series are sold or otherwise transferred to any person in breach of the selling restrictions set out in the section of this Base Prospectus titled "*Subscription and Sale*";
- (xv) the Issuer or the Programme Administrator becomes aware that any Securityholder has consolidated, or is or will become required to consolidate, the Issuer onto its balance by reason of such Securityholder owning EUA Linked Securities; or
- (xvi) the Value per EUA Linked Security is less than or equal to 20 per cent. of the Issue Price per EUA Linked Security on the Series Issue Date for three consecutive Valuation Days.

The EUA Linked Securities of a Series may also become due and payable upon the occurrence of any of the following Events of Default:

- (i) the Issuer has defaulted for more than 14 calendar days in the payment of any sum or delivery of any Underlying EUAs due in respect of the EUA Linked Securities of the relevant Series or any of them;

- (ii) the Issuer does not perform or comply with any one or more of its obligations under the EUA Linked Securities or the Trust Deed, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- (iii) an Issuer Insolvency Event occurs in relation to the relevant Series.

Limited Recourse and Ranking:

The EUA Linked Securities of a Series will rank equally amongst themselves. The rights of Securityholders are limited in recourse to the relevant Mortgaged Property. As such, once the Mortgaged Property in relation to a Series has been realised and the net proceeds distributed, none of the parties or anyone acting on their behalf may take further steps against the Issuer or its directors, officers, members or administrator to recover any further sum in relation to such Series and no debt will be owed by the Issuer in respect of such sum. Any proceeds of the Mortgaged Property will be applied in accordance with the priorities of payments set out in the Conditions and, therefore, the rights of Securityholders will rank in accordance therewith. As a result of such provisions, the Securityholders may not receive in full the Final Redemption Amount or Early Redemption Amount (as applicable) payable in respect of an EUA Linked Security.

Withholding Tax:

All payments in respect of the EUA Linked Securities shall be made net of and after allowance for any withholding or deduction for, or on account of, any Taxes. In the event that any withholding or deduction for, or on account of, any Taxes applies to payments in respect of the EUA Linked Securities, the Securityholders will be subject to such Tax or deduction and shall not be entitled to receive compensation for any such Tax or deduction. No event of default will occur as a result of any such withholding or deduction.

Governing Law:

The EUA Linked Securities will be governed by English law. In respect of each Series of EUA Linked Securities, there will be a Trust Deed granting, *inter alia*, (i) English law security interests over the rights of the Issuer under the agreements entered into by it in respect of that Series, (ii) a first ranking pledge under Luxembourg law over the present and future claims, rights, title, interest and benefit (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) of the Issuer against the EUA Custodian under the EUA Custody Agreement in respect of the relevant Series of EUA Linked Securities, (iii) a first ranking pledge under Luxembourg law of all present and future assets, rights, claims and distributions (including all income, payments, interest, proceeds, revenues, title, benefits, products, property, sum received, receivable or otherwise distributed) held in or in connection with any financial instruments accounts opened by the Issuer with the EUA Custodian in respect of the relevant Series of EUA Linked Securities including, for

the avoidance of doubt (including any securities and similar instruments (a) credited, by way of book entry (*inscription en compte*), or as otherwise deposited or held, in each case without specification of numbers or other individual identification elements, on a fungible basis or (b) otherwise registered and/or referenced and/or referred to in the account or the EUA Custodian's books and/or held in any other manner by the EUA Custodian for the account of the Issuer on a contractual basis or otherwise (including as a nominee)), securities, cash and other rights and the property held therein or credited thereto; and (iv) a first ranking pledge under Luxembourg law of all present and future amounts, rights and claims (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) held in, or in connection to, the Cash Account under the Account Bank Agreement in respect of the relevant Series of EUA Linked Securities.

Value of EUA Linked Securities:

The EUA Linked Securities are backed by Underlying EUAs and their value is linked to the value of such Underlying EUAs. The price of EUAs can go down as well as up and the performance of EUAs in any future period may not mirror its past performance.

Total Expense Ratio:

In respect of each Series of EUA Linked Securities, the Issuer is required to pay certain fees to each of the Programme Administrator, the EUA Custodian and the EUA Disposal Agent in accordance with the relevant Programme Administrator Agreement, Agency Agreement and EUA Custody Agreement. These fees will accrue, in aggregate, at a rate per annum equal to the Total Expense Ratio for such Series.

The Total Expense Ratio will be specified in the Final Terms for a Series of EUA Linked Securities and as at the date of this Base Prospectus is 0.75 per cent. per annum.

The Total Expense Ratio in respect of a Series of EUA Linked Securities may be varied at any time by the Programme Administrator, provided that no increase in the Total Expense Ratio in respect of a Series of EUA Linked Securities will take effect unless Securityholders of such Series have been given at least 30 calendar days' notice. The Total Expense Ratio and any change to the Total Expense Ratio shall be published on www.ubs.com/ETF (or such other website notified by the Issuer for such Series of EUA Linked Securities from time to time).

Description of return on EUA Linked Securities

Final Redemption Amount and Early Redemption Amount:

On the Scheduled Maturity Date for a Series of EUA Linked Securities, each EUA Linked Security will become due and payable at its Final Redemption Amount.

On an early redemption of the EUA Linked Securities of a Series of EUA Linked Securities following the occurrence of an Early Redemption Event or an Event of Default, each EUA Linked Security (or, in the case of a Sale/Transfer Breach Redemption Event or a Consolidation Redemption Event, the Affected Securities only) will become due and payable at its Early Redemption Amount.

The Early Redemption Amount or Final Redemption Amount per EUA Linked Security (as applicable) will be determined by reference to the

Average EUA Sale Price of the Underlying EUAs held in respect of the Series of EUA Linked Securities sold during the Early Redemption Disposal Period or the Final Redemption Disposal Period (as applicable) by the EUA Disposal Agent, net of (i) associated fees, deductions and taxes and (ii) if the amount of interest that has accrued on the proceeds of such sale which have been deposited into the Cash Account is negative, such amount. The Issuer will, on or prior to the Early Redemption Date or Scheduled Maturity Date (as applicable), publish the determination of the Early Redemption Amount or Final Redemption Amount (which shall include publication of the price, number and date of each sale of Underlying EUAs during the Early Redemption Disposal Period or Final Redemption Disposal Period (as applicable), including information on any fees, deductions and/or taxes imposed on such sale, and the determination of the Average EUA Sale Price) made available at www.ubs.com/ETF (or such other website notified by the Issuer for such Series of EUA Linked Securities from time to time).

There can be no assurance that the Final Redemption Amount or Early Redemption Amount (as applicable) will be an amount greater than or equal to the amount invested by any Securityholder.

Information about EUAs and where such information can be found

Further information relating to EUAs and the EU ETS can be found on the website of the European Commission at https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets_en.

Terms and conditions of the offer

The EUA Linked Securities are being made available by the Issuer for subscription only to Authorised Participants. In connection with any subscription, Authorised Participants will deliver to the Issuer EUAs equal to the aggregate EUA Entitlement per EUA Linked Security of the EUA Linked Securities being subscribed in accordance with Condition 8(a) (*Further Issues*) and/or the relevant Authorised Participant Agreement.

The Issue Price per EUA Linked Security on the Series Issue Date will be specified in the Final Terms and shall be an amount equal to (A) the Initial EUA Entitlement per EUA Linked Security multiplied by (B) the EUA Reference Price with respect to the Series Issue Date. The Issue Price per EUA Linked Security for any subsequent Tranche of EUA Linked Securities of that Series issued after the Series Issue Date will be equal to the Value per EUA Linked Security in respect of the relevant Subscription Trade Date relating to such Tranche.

RISK FACTORS

Before purchasing the EUA Linked Securities, you should carefully consider the following information, together with the other information contained in this Base Prospectus, any supplement to this Base Prospectus and any Final Terms, and reach your own conclusions prior to making a decision in respect of any investment, in consultation with your professional advisors as you deem necessary.

The following risk factors set out those factors that we believe:

- *represent the principal risks to you inherent in investing in the EUA Linked Securities;*
- *may affect our ability to fulfil our obligations under the EUA Linked Securities; and/or*
- *are material for the purposes of assessing the risks associated with the EUA Linked Securities (by reference to general criteria that are not particular to your specific circumstances).*

The risks in this section are not exhaustive. There may be other reasons why we cannot fulfil our obligations under the EUA Linked Securities.

The risk factors identified in this Base Prospectus are provided to assist you in assessing certain relevant risks related to your prospective investment and to assist you in making your own informed investment decision in respect of the EUA Linked Securities.

You should be aware that more than one risk factor may have simultaneous effects on the EUA Linked Securities, such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable.

All capitalised terms used in this section "Risk Factors" shall have the meanings given to them in other sections of this Base Prospectus, unless otherwise defined in this section "Risk Factors" of this Base Prospectus. In this section "Risk Factors" we refer to current and prospective investors in the EUA Linked Securities as "you" and "your". Unless otherwise indicated, references to "we", "our" and "us" refer to the Issuer only.

Risks relating to us

We are a special purpose vehicle

We are a special purpose vehicle. Our principal business is the issue of securities. We have, and will have, no assets with which to make any payments under any Series of EUA Linked Securities other than our issued and paid-up share capital and the agreements entered into by us in connection with a Series of EUA Linked Securities issued by us. Nor will we have any other assets to meet claims made against us either in respect of a Series of EUA Linked Securities or any other claims against us. The sole assets available to fund payments under a Series of EUA Linked Securities will be the Mortgaged Property (which consists of our rights under various agreements and cash held on our behalf) to which that Series of EUA Linked Securities relates. Assets held in relation to one Series of EUA Linked Securities are not available to satisfy the claims of holders of a different Series of EUA Linked Securities.

Accordingly, there are risks in investing in the EUA Linked Securities which differ from risks in investing in instruments issued by a trading company with substantial assets and/or operations.

We are structured to be insolvency-remote, but are not insolvency proof

We are structured to be insolvency-remote. We will contract with parties who agree not to make any application to start winding-up or bankruptcy or similar proceedings against us. We are permitted (as provided for in the Trust Deed) to contract only with parties who agree with such restrictions.

However, we are not insolvency-proof. Claims may arise against us which may permit a party to start insolvency proceedings against us or the contractual restrictions may not be respected in all jurisdictions.

For example, claims may arise from third parties that have no direct contractual relationship with us or we may contract with parties which permit such parties to start winding-up or bankruptcy or similar proceedings against us.

A creditor (including a contingent or prospective creditor) that has not accepted non-petition provisions in respect of us may be entitled to make an application for the commencement of insolvency proceedings against us. This may entitle such a creditor to terminate contracts with us and claim damages for any loss suffered as a result of such early termination. If the EUA Linked Securities remain outstanding at the time that any insolvency proceedings are commenced, this may also lead to an early redemption of the EUA Linked Securities and related enforcement actions.

Limited Recourse

Each Series of EUA Linked Securities are limited recourse securities. This means your rights against us in respect of a Series of EUA Linked Securities are limited to the Mortgaged Property in respect of that Series. Our obligations in respect of the EUA Linked Securities are not guaranteed by any other person, and no other person, including any of the Transaction Parties, has any obligation to you for payment of any amount by us in respect of the EUA Linked Securities. There is no guarantee that you will recover any amounts payable under the EUA Linked Securities.

Our ability to meet our obligations in respect of a Series of EUA Linked Securities will depend on us realising the value of or receiving money due to us under the Mortgaged Property. You have no recourse to us beyond the moneys we receive from the Mortgaged Property. If following realisation in full of the Mortgaged Property (whether by way of liquidation or enforcement), the net proceeds of such realisation is insufficient to meet all payments due by us in respect of the EUA Linked Securities, there are no other assets which shall be available to meet such payment shortfall (including any assets securing other Series of EUA Linked Securities). This means that you will receive less than you would otherwise be entitled to under your EUA Linked Securities (and possibly zero) and you will have no right to make a claim against us for the shortfall. Accordingly, you may suffer a significant, and potentially complete, loss on your investment.

You should also know that EUA Linked Securities of a Series are not, and do not represent or give you any interest in, the Underlying EUAs in respect of that Series.

We have appointed a corporate services provider

We have appointed the Corporate Services Provider in accordance with the terms of a corporate services agreement. The Corporate Services Provider is an independent, third party entity which has agreed to provide certain administrative, accounting and related services to us. All of our directors are employees of the Corporate Services Provider.

Our operations may be adversely affected by the termination of the appointment of the Corporate Services Provider. We may also be adversely affected by the insolvency or bankruptcy of the Corporate Services Provider or any default, negligence or fraud on the part of the Corporate Services Provider or any of its employees or agents. The termination of the appointment of the Corporate Services Provider or the insolvency or bankruptcy of the Corporate Services Provider, or default, negligence or fraud may result in a disruption of services to us, and may result in an inability or delay on our part in making payments to you in respect of the EUA Linked Securities. This means that if the appointment of the Corporate Services Provider is terminated, you may receive lower payments, or no payments, on your EUA Linked Securities, or that payments on your EUA Linked Securities may be delayed.

Centre of Main Interests

We have our registered office in Ireland. Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Recast EU Insolvency Regulation**"), our centre of main interest ("**COMI**") is presumed to be the place of our registered office (i.e.

Ireland) in the absence of proof to the contrary and provided that we do not move our registered office within the three months prior to a request to open insolvency proceedings.

As our COMI is presumed to be Ireland, any main insolvency proceedings in respect of us would fall within the jurisdiction of the courts of Ireland. As to what might constitute “proof to the contrary” regarding the location of a company’s COMI, the key decision is that in *Re Eurofood IFSC Ltd* ([2004] 4 IR 370 (Irish High Court); [2006] IESC 41 (Irish Supreme Court); [2006] Ch 508; ECJ Case C-341/04 (European Court of Justice)), given in respect of the equivalent provision in the previous EU Insolvency Regulation (Regulation (EC) No. 1346/2000). In that case, on a reference from the Irish Supreme Court, the European Court of Justice concluded that “factors which are both objective and ascertainable by third parties” would be needed to demonstrate that a company’s actual situation is different from that which the location of its registered office is deemed to reflect.

For instance, if a company with its registered office in Ireland does not carry on any business in Ireland, that could rebut the presumption that the company’s COMI is in Ireland. However, if a company with its registered office in Ireland does carry on business in Ireland, the fact that its economic choices are controlled by a parent undertaking in another jurisdiction would not, of itself, be sufficient to rebut the presumption.

As we have our registered office in Ireland, our directors are tax resident in Ireland and are registered for tax in Ireland, and we have retained an Irish corporate services provider, we do not believe that factors exist that would rebut the presumption that our COMI is located in Ireland, although this would ultimately be a matter for the relevant court to decide based on the circumstances existing at the time when it was asked to make that decision. If our COMI was found to be in another EU jurisdiction and not in Ireland, main insolvency proceedings would be opened in that jurisdiction instead.

If, for any reason, our COMI were deemed to be in any other jurisdiction, then the main insolvency proceedings applicable to us may be governed by the law of that other jurisdiction, which may be different from Irish law, and may potentially treat your claims (as a Securityholder) against us less favourably than if the insolvency proceedings were governed by Irish law.

Preferred Creditors under Irish Law and Floating Charges

Under Irish law, upon an insolvency of an Irish company such as us, when applying the proceeds of assets subject to fixed security that may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company’s requirements for the duration of his appointment) that have been approved by the Irish courts. See “Examinership” below.

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

Where the notice has been given to the Irish Revenue Commissioners of the creation of the security within 21 calendar days of its creation by the holder of the security, the holder’s liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of VAT, income tax and local property tax) arising after the issuance of the Irish Revenue Commissioners’ notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax, whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish

Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company that are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the chargor does not have liberty to deal with the assets that are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to us, any charge constituted by the Trust Deed for a Series may operate as a floating, rather than a fixed charge. In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

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

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge;
- (e) in a winding up, insofar as the assets of a company available for payment of general creditors are insufficient to meet them, preferential creditors' claims will rank above floating charge holders' claims, regardless of whether the floating charge has crystallised or not; and
- (f) they rank after fixed charges.

If the fixed charges created pursuant to the Trust Deed are regarded as floating charges instead of fixed charges, this could negatively impact the value of your EUA Linked Securities.

Examinership

Examinership is a court procedure available under the Irish Companies Act 2014 (as amended, the "**Irish Companies Act**") to facilitate the survival of Irish companies in financial difficulties.

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

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court or Circuit Court (as applicable)

when at least one class of creditors whose interests or claims would be impaired by implementation of the proposal (such class of creditors must be one which would receive a payment in a liquidation scenario) has voted in favour of the proposals and the relevant Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by the implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In our case, if the Trustee represented the majority in number and value of claims within the secured creditor class, the Trustee would be in a position to reject any proposal not in your favour. The Trustee would also be entitled to argue at the relevant Irish court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to you, especially if such proposals include a writing down of the value of amounts due by us to you. The primary risks to you, if an examiner were to be appointed in respect of us, are as follows:

- (i) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by us to you as secured by the Trust Deed;
- (ii) the potential for the examiner to seek to set aside any negative pledge in the EUA Linked Securities or the transaction documents prohibiting the creation of security or the incurring of borrowings by us to enable the examiner to borrow to fund us during the protection period; and
- (iii) in the event that a scheme of arrangement is not approved and we subsequently go into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of us and approved by the relevant Irish court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by us to each of the secured creditors under the EUA Linked Securities or the transaction documents or under any other secured obligations.

The impact of such risks for you as Securityholders is that the value of the EUA Linked Securities may be negatively impacted or you may suffer a delay in receiving payments or may receive less or substantially less than your initial investment.

EU Proposal for Anti-Tax Avoidance Directive 3

On 22 December 2021, the European Commission published a legislative proposal for a Council Directive to prevent the misuse of shell entities for tax purposes ("**ATAD 3**"). The new ATAD 3 proposals are aimed at legal entities which have limited substance and economic activity in their jurisdictions of residence. Where the rules apply, the proposal is that such entities should be denied the benefit of double taxation agreements entered into between Member States as well as certain EU tax directives, including the Parent Subsidiary Directive and Interest and Royalty Directive.

As currently drafted, the proposal contains exemptions for certain undertakings including a 'securitisation special purpose entity' (as defined in Regulation (EU) No 2017/2402 of the European Parliament and of the Council) and companies which have a transferable security admitted to trading or listed on a regulated market or multilateral trading facility.

There is no certainty that the proposal will be introduced in its current form. The proposal requires the unanimous approval of the EU Council before it is adopted. Until the proposal receives approval and a final directive is published, it is not possible to provide definitive guidance on the impact (if any) of the proposal on our Irish tax position.

Our Irish Taxation Position

We have been advised that we should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 (as amended) ("**Section 110**"). As a result, it is anticipated that we should be subject to Irish corporation tax only on our profit calculated under generally accepted accounting practice, after deducting all of our revenue expenses (including the return

payable to you in respect of the EUA Linked Securities subject to the EUA Linked Securities being quoted Eurobonds for the purpose of Section 64 of the Taxes Consolidation Act 1997 (as amended) and, where you are a “specified person” (as defined in the section titled “*Irish Taxation*”), us not being in possession, or aware, of information at the time the EUA Linked Securities were issued which could reasonably be taken to indicate that the interest or distribution which would be payable in respect of those EUA Linked Securities would not be subject, without any reduction computed by reference to the amount of such distribution or return, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory). If, for any reason, we are not or cease to be such a “qualifying company” for the purposes of Section 110, we could be obliged to account for Irish tax in respect of profits for Irish tax purposes, which are in excess of profit calculated under generally accepted accounting practice. This could result in material tax being payable in Ireland which has not been contemplated in the cash flows in respect of the EUA Linked Securities issued to you. In such circumstances, the Irish tax treatment of both us and payments by us in respect of the EUA Linked Securities could be adversely affected. In turn, this may therefore affect the return which you receive on the EUA Linked Securities.

Section 110 provides that certain results dependent or excessive interest payments or distributions payable to a “specified person” may not be deductible unless, broadly, those payments are subject to tax in an EU member state or a jurisdiction with which Ireland has signed a double taxation agreement. A person will be a specified person in respect of us if they control us, or are under common control with us. In broad terms, a person will have control in respect of us in this context if they have the ability to secure, through shares, voting power or our constitutional documents, that our affairs are conducted in accordance with their wishes. The Finance Act 2019 of Ireland extended the concept of specified person, with respect to us, to mean that a person will control us (and therefore be a specified person), if they:

- (a) have an ability to participate in our financial and operating decisions (“**significant influence**”); and
- (b) hold more than 20 per cent. of any of (i) our share capital, (ii) the principal value of any securities which carry a right to interest or distributions which are to any extent dependent on the results of our business or exceed a reasonable commercial rate (iii) the right to more than 20 per cent. of the interest or distribution payable on securities described at (ii).

If any payment was made by us to a specified person in respect of us where such payment is not subject to tax in the manner noted above, we may not be entitled to take a deduction for such payment for tax purposes and we would be subject to tax on any profits which are treated as arising for Irish tax purposes.

Changes in Irish Tax Law

Fiscal and taxation policy and practice is constantly evolving and recently the pace of change has increased due to a number of developments. In particular a number of changes of law and practice are occurring as a result of the Organisation for Economic Co-operation and Development (“**OECD**”) Base Erosion and Profit Shifting project and European Anti-Tax Avoidance Directives.

In the future there may be changes in Irish or non-Irish tax law, regulations, interpretation, treaties or other measures which may adversely impact our tax treatment and that of payments on the EUA Linked Securities and, consequently, the value of your investment.

Risks relating to the liquidity and trading of the EUA Linked Securities

The secondary market and limited liquidity

The only means through which you can realise value from an EUA Linked Security prior to its Scheduled Maturity Date (subject to the occurrence of an Early Redemption Event) is to sell it at its then market price in a secondary market transaction to us or an Authorised Participant, other broker or intermediary. Either an Authorised Participant or you, as a Non-Authorised Participant Securityholder, can request that we buy-back the relevant EUA Linked Securities. The relevant Authorised Participant or you, as a Non-Authorised

Participant Securityholder, requesting the buy-back will receive a number of EUAs equal to the Buy-Back Settlement Amount from us against payment by the relevant Authorised Participant or you (as applicable) to us of an amount equal to the Buy-Back Payment Amount in accordance with Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*) or Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*) (as applicable). In the case of an AP Buy-Back Order, since you are redeeming via an Authorised Participant, broker or other intermediary in the secondary market, you may receive an amount which is more than, equal to, or less than the Value per EUA Linked Security in respect of the relevant Buy-Back Trade Date. EUA Linked Securities which are purchased by or on behalf of us from an Authorised Participant in respect of an AP Buy-Back Order shall be cancelled. In the case of a Non-AP Buy-Back Order, since you are redeeming directly from us, you will only receive a number of EUAs equal to the Buy-Back Settlement Amount in accordance with Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*).

The price at which you may be able to sell EUA Linked Securities at any time prior to their Scheduled Maturity Date may be substantially less than the price paid by you. This may occur (amongst other reasons) as a result of there being limited liquidity for the EUA Linked Securities, or the EUAs not having performed sufficiently to increase or maintain the Value per EUA Linked Security of the EUA Linked Securities by such amount as is necessary to negate the Total Expense Ratio deducted since the time you purchased the EUA Linked Securities. The Value per EUA Linked Security and/or market price of the EUA Linked Securities may be volatile and may fall rapidly and you may not be able to sell your EUA Linked Securities quickly and/or at a price such that you are able to prevent or minimise any loss of your investment.

Liquidity Risk

The market price of the EUA Linked Securities will be a function of the supply and demand amongst investors wishing to buy and sell the EUA Linked Securities and the bid/offer spread that market-makers are willing to quote for the EUA Linked Securities on any relevant stock exchange or market. If there is a high level of demand for a relevant Series of EUA Linked Securities then, other things remaining equal, those EUA Linked Securities are likely to trade at a premium. Authorised Participants have the right (but not the obligation) to require us to issue further EUA Linked Securities of a Series. If the Authorised Participants exercise such right, this will increase supply and would reduce any such premium. If you buy EUA Linked Securities at a premium, you risk losing such premium if demand for the relevant Series of EUA Linked Securities abates (for example, when new EUA Linked Securities of an existing Series of EUA Linked Securities are issued).

Market-making

While each Authorised Participant appointed in respect of the Programme and/or a Series of EUA Linked Securities may make a market for the relevant Series of EUA Linked Securities (i.e., by buying EUA Linked Securities and selling them to investors (including you) on the secondary market), the relevant Authorised Participant is not obliged to do so and Authorised Participants may discontinue making a market at any time and/or may make a market on a different platform or offer only one way markets by quoting either the bid price of purchasers or the ask price of sellers, but not both. The price (if any) provided by an Authorised Participant for the purchase or sale of EUA Linked Securities in the secondary market will be determined at the absolute discretion of that Authorised Participant by reference to such factors as it sees fit and such price may take into account fees, charges, duties, taxes, commissions and/or other factors. Any price given by an Authorised Participant will be quoted as of a particular date and time and will not therefore reflect any subsequent changes in the market price of the EUA Linked Securities and/or any other factors relevant to the determination of the price.

Furthermore, any market in the EUA Linked Securities may not be liquid.

You should note that:

- (i) the number of EUA Linked Securities subject to any offer made by an Authorised Participant or otherwise in the secondary market may be affected by market demand for the EUA Linked Securities, the number of EUA Linked Securities in issue, whether subscriptions can be processed and prevailing market conditions;
- (ii) the price (if any) offered by an Authorised Participant or any other seller or purchaser, may be less than the current Value per EUA Linked Security of the EUA Linked Securities. In addition, any such price may be subject to fees, charges, duties, taxes and/or commissions;
- (iii) you may not be able to sell your EUA Linked Securities quickly, easily or at prices that will provide you with a yield comparable to other investments;
- (iv) any price at which the EUA Linked Securities may be sold in a secondary market transaction prior to their Scheduled Maturity Date may be at a discount, which could be substantial, to the price at which the EUA Linked Securities were acquired by the relevant purchaser; and
- (v) illiquidity may have a severely adverse effect on the market price of EUA Linked Securities.

You should be aware that not all market participants and Authorised Participants will determine the price of the EUA Linked Securities in the same manner, and the variation between such valuations and prices quoted may be substantial. Accordingly, any prices provided by an Authorised Participant may not be representative of prices that may be provided by other market participants.

You should be aware that EUA Linked Securities requested for issue and subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale and/or sold over a period of time. You should not assume that EUA Linked Securities will automatically be placed with prospective investors by the relevant Authorised Participant(s) immediately upon issue. To the extent that the Authorised Participants hold EUA Linked Securities at any time, they may exercise their rights under them in such manner as they see fit in their own interests and need not have regard to your interests or the interests of any other person. In particular, the Authorised Participants may vote at any meeting of Securityholders or approve any resolution as they see fit (including with respect to any changes to the terms of the EUA Linked Securities proposed by us).

Market price of the EUA Linked Securities

You can buy and sell EUA Linked Securities in the same manner as you buy and sell other listed securities. You, as an investor trading EUA Linked Securities intraday, are given a “bid price”, at which you can sell an EUA Linked Security, and an “offer price” representing the pricing point at which you can buy your EUA Linked Securities in the market. The bid and offer prices for EUA Linked Securities at any time are likely to be different to the Value per EUA Linked Security. This is because the bid and offer prices reflect market liquidity and other market conditions at a particular time, whereas the Value per EUA Linked Security is calculated based on the EUA Reference Price.

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of the EUA Linked Securities. You should note that general movements in markets and factors that affect the investor climate and investor sentiment may have different effects on each Series of EUA Linked Securities.

The market price of the EUA Linked Securities will be affected by a number of factors, including, but not limited to:

- (i) the value and volatility of EUAs linked to the EUA Linked Security;
- (ii) market perception, interest rates and yields;

- (iii) global economic, financial and political events and factors affecting capital markets generally and the stock exchanges (if any) on which the EUA Linked Securities are traded;
- (iv) the creditworthiness of the EUA Disposal Agent, the EUA Custodian, the Account Bank, and the Authorised Participants; and
- (v) liquidity in the EUA Linked Securities.

Risks relating to the EUA Linked Securities

Redemption of the EUA Linked Securities at maturity

Our ability to make payment of the Final Redemption Amount is dependent on the EUA Disposal Agent fulfilling its obligations under the relevant Agency Agreement, as well as: (a) our receipt in full of the net proceeds of the liquidation of the Underlying EUAs in respect of the relevant Series of EUA Linked Securities and, in respect of the Specified Interest Amount, the amount of interest which has accrued (if any) on the proceeds of realisation of such Underlying EUAs which have been deposited into the Cash Account during the Final Redemption Disposal Period; (b) the EUA Disposal Agent having sold all of the relevant Underlying EUAs on or prior to the last day of the Final Redemption Disposal Period; and (c) the number of Underlying EUAs held by the EUA Custodian on our behalf as at the first day of the Final Redemption Disposal Period being at least equal to the aggregate EUA Entitlement per EUA Linked Security as at the Final Redemption Commencement Date.

All payments due on the EUA Linked Securities are also subject to the limited recourse nature of the EUA Linked Securities. As a result, you may not receive in full the Early Redemption Amount or Final Redemption Amount payable in respect of an EUA Linked Security and may receive zero.

Extension of Scheduled Maturity Date

For Securityholders who intend to retain their holdings of EUA Linked Securities until maturity, it should be noted that, subject to certain requirements (as further set out in Condition 18(d) (*Extension of the Scheduled Maturity Date*)), we may (by notice to the Transaction Parties and Securityholders (including you)) extend the Scheduled Maturity Date to a date falling no more than 50 calendar years after the then current Scheduled Maturity Date. If we extend the Scheduled Maturity Date, Securityholders should be aware that they will not be entitled to receive the Final Redemption Amount until the extended maturity date of the EUA Linked Securities has been reached. Securityholders who do not want to retain their holdings of EUA Linked Securities until maturity will however be entitled to request a buy-back of their EUA Linked Securities at any time in accordance with Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*) and Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*).

The Specified Interest Amount

The EUA Linked Securities do not pay periodic interest. However, a Specified Interest Amount may be payable at final maturity or an early redemption as part of the Final Redemption Amount or Early Redemption Amount (as applicable).

The Specified Interest Amount will be a pass-through of the amount of interest (if any) received on the proceeds of realisation of the relevant Underlying EUAs deposited in the Cash Account. Such interest amount may be negative, in which case such amount will be deducted from the net proceeds of the liquidation of the relevant Underlying EUAs. As a result, you should be aware that to the extent there is any negative interest charged on the Cash Account which exceeds any positive interest accrued on the Cash Account, this could reduce the amount payable to you under the relevant Series of EUA Linked Securities.

Early Redemption Events and Events of Default

The EUA Linked Securities of a Series may be redeemed prior to their Scheduled Maturity Date following the occurrence of one or more Early Redemption Events or Events of Default, in accordance with their terms and as further described in Conditions 9 (*Redemption*) and 14 (*Events of Default*).

The Early Redemption Events include, amongst other things, certain tax events, a change in applicable law or regulation relating to the Series, the termination of the appointment of an Agent or all of the Authorised Participants and certain regulatory events. We may also, at any time, unilaterally elect to redeem all the EUA Linked Securities of a Series by notice to the Securityholders (including you).

The Programme Administrator may also determine (in its sole discretion and without regard to any related determination by any of the other parties or any action taken, omitted to be taken or suffered to be taken by any other person, including, without limitation, any creditor of the other parties) and give notice to the Transaction Parties, the Securityholders (including you) and us that regulatory changes (including changes to applicable policies (including the EU emissions policy), law or the electronic accounting systems) impacting the EUAs or the Union Registry after the Series Issue Date make it unlawful for the EUA Disposal Agent, the EUA Custodian or us to:

- (i) perform any absolute or contingent obligation to make a delivery in respect of the EUAs constituting the Underlying EUAs or any agreement entered into in connection with the EUAs constituting the Underlying EUAs;
- (ii) hold, or in the case of the EUA Custodian, manage and/or operate the EUA Custody Account on our behalf, in respect of the Underlying EUAs or to receive a delivery in respect of the Underlying EUAs; or
- (iii) comply with any other material provision of any agreement entered into in connection with the Underlying EUAs,

following which the EUA Linked Securities will redeem early.

Therefore, you may receive a return on your investment at an unexpected time, which may (i) affect, among other things, your tax planning or (ii) prevent you from reinvesting the redemption proceeds in another investment at the time that provides an equivalent return.

Following the occurrence of an Early Redemption Event, or the delivery by the Trustee of an Event of Default Redemption Notice in respect of an Event of Default under the Conditions of the relevant Series of EUA Linked Securities, the relevant Series of EUA Linked Securities will become due and payable at the Early Redemption Amount. The amount you receive as an Early Redemption Amount will be calculated by reference to the net proceeds of the liquidation of the Underlying EUAs in respect of the relevant Series of EUA Linked Securities and the Specified Interest Amount.

De Minimis Theft Event

If one per cent. or more of the total number of Underlying EUAs in respect of a Series of EUA Linked Securities are stolen from the EUA Custody Account, an Early Redemption Event will occur and the EUA Linked Securities will be redeemed. However, if less than one per cent. of the total number of Underlying EUAs are stolen, the EUA Linked Securities will not be redeemed and the number of EUAs attributable to each EUA Linked Security you hold will be reduced to account for the effect of the De Minimis Theft Event.

Potential loss of investment

The EUA Linked Securities are not principal protected. The EUA Linked Securities do not guarantee a minimum return equal to your initial investment regardless of the performance of the Underlying EUAs. Instead, the return on your investment will depend on the Value per EUA Linked Security which is based on the price of EUAs. You may therefore lose some or all of your investment if the Underlying EUAs have fallen in value since the time you purchased the EUA Linked Securities.

Programme Administrator and Calculation Agent calculations and determinations

The Programme Administrator and the Calculation Agent may make discretionary determinations in accordance with the Programme Administrator Agreement and the Agency Agreement respectively.

These discretionary determinations include but are not limited to:

- (i) in the case of the Calculation Agent, (a) corrections to the determination of the EUA Entitlement per EUA Linked Security and the Value per EUA Linked Security, and (b) determinations regarding the validity of a Non-AP Buy Back Order; or
- (ii) in the case of the Programme Administrator, (a) adjustments to the levels of the Total Expense Ratio (which may potentially result in higher fees being applied which would reduce the return for Securityholders (including you)), and (b) determinations regarding the occurrence of Early Redemption Events (see risk factor "*Early Redemption Events and Events of Default*" above).

When exercising their discretion, the Programme Administrator and the Calculation Agent (i) assume no obligations or duty to, or relationship of agency or trust for or with, any Securityholder (including you) and (ii) are not obliged to consider the individual interests or circumstances of any particular Securityholder (including you).

This exercise of discretions by the Programme Administrator and/or the Calculation Agent (as the case may be) may (i) result in a reduced return on the EUA Linked Securities, or (ii) have a material adverse impact on the value of the EUA Linked Securities.

Disruption Events

If the Programme Administrator (after consultation with the Calculation Agent), at its discretion, gives a Valuation Disruption Event Suspension Notice in respect of any Scheduled Valuation Day, then the EUA Entitlement per EUA Linked Security and the Value per EUA Linked Security will not be published in respect of such Scheduled Valuation Day.

In addition, if a Valuation Disruption Event has occurred or exists with respect to any Early Redemption Commencement Date or the Final Redemption Commencement Date and either the Programme Administrator or the Calculation Agent determines that the relevant Valuation Disruption Event would disrupt the actions required to be performed by us or a relevant Transaction Party in connection with an Early Redemption Event or the Scheduled Maturity Date, then the Early Redemption Commencement Date or Final Redemption Commencement Date (as applicable) shall be postponed until the first following Scheduled Valuation Date that is not a Disrupted Day. If the relevant Valuation Disruption Event is still subsisting on the 90th Scheduled Valuation Day following the scheduled Early Redemption Commencement Date or Final Redemption Commencement Date (as the case may be), the Programme Administrator will determine the manner in which the Early Redemption Amount or the Final Redemption Amount (as applicable) shall be satisfied.

Additionally, if any day in the Early Redemption Disposal Period or the Final Redemption Disposal Period is a Disrupted Day, then the Programme Administrator may, by notice to us, the Transaction Parties and the Securityholders (including you), postpone the Early Redemption Date or the Scheduled Maturity Date (as the case may be) until such time as the Programme Administrator determines that either the relevant Valuation Disruption Event has ceased or there is no reasonable likelihood of the relevant Valuation Disruption Event ceasing. If a Valuation Disruption Event is still subsisting on the postponed Early Redemption Date or Scheduled Maturity Date (as the case may be), the Programme Administrator will determine the manner in which the Early Redemption Amount or Final Redemption Amount (as the case may be) shall be satisfied.

If the Programme Administrator (after consultation with the Calculation Agent) determines that an EUA Disruption Event is subsisting on any day during the Early Redemption Disposal Period or the Final Redemption Disposal Period (as the case may be), the end of the Early Redemption Disposal Period or

the Final Redemption Disposal Period (as applicable) shall be postponed for up to 90 Business Days, after which, if the EUA Disruption Event continues to subsist, the Programme Administrator will determine the manner in which the Early Redemption Amount or the Final Redemption Amount (as applicable) shall be satisfied.

You should be aware that, in any of the above scenarios, payment of amounts due to you may be delayed and the Programme Administrator may determine that the Early Redemption Amount or the Final Redemption Amount (as the case may be) that you receive will be significantly less than the amount you invested in the EUA Linked Securities (or even zero). Accordingly, the occurrence of a Valuation Disruption Event or an EUA Disruption Event may have an adverse effect on the quantum of, and/or the timing of the calculation and payment of, the Early Redemption Amount or the Final Redemption Amount payable to you.

A Valuation Disruption Event Suspension Notice may be given in connection with the following events:

- (i) the EUA Reference Price Source fails to calculate and announce the EUA Reference Price;
- (ii) an event or circumstance beyond the control of the Calculation Agent, including (but not limited to) a technical or operational issue, such that it is impossible for the Calculation Agent to perform its obligations under the Agency Agreement that are required to be performed for the EUA Entitlement per EUA Linked Security and the Value per EUA Linked Security to be determined in respect of a Scheduled Valuation Day; or
- (iii) any other event which disrupts or impairs the ability of the Calculation Agent to determine the EUA Entitlement per EUA Linked Security or the Value per EUA Linked Security.

Subordination of your claims

Following realisation of the Mortgaged Property (whether by way of liquidation or enforcement), your rights to be paid amounts due under the EUA Linked Securities, as a Securityholder, will be subject to the order of priority set out in Condition 16 (*Application of Mortgaged Property and Proceeds of Enforcement of Security*), which is as follows:

- (i) the payment or satisfaction of the Issuer's share of any taxes owing by it;
- (ii) the payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable to the Trustee, any Appointee or any receiver under or pursuant to the Trust Deed and/or any other Transaction Document;
- (iii) the payment or satisfaction of the Series Overheads in respect of the EUA Linked Securities;
- (iv) the payment of any amounts owing to any Issuing and Paying Agent for reimbursement in respect of proper payment of principal made to the Securityholders;
- (v) the payment, with each of the following parties in (I) to (V) having an equal right to payment, of any fees, expenses or other amounts due to (I) the Issuing and Paying Agent, the Calculation Agent, the Transfer Agent and the EUA Disposal Agent, pursuant to the Agency Agreement, (II) the Programme Administrator pursuant to the Programme Administrator Agreement, (III) the Account Bank pursuant to the Account Bank Agreement, (IV) any Authorised Participant under an Authorised Participant Agreement, and (V) the EUA Custodian pursuant to the EUA Custody Account, in each case to the extent they relate to the relevant Series of EUA Linked Securities;
- (vi) the payment of any amounts owing to you, as a Securityholder, by us proportionately to your entitlement, with your right to payment being equal to the right to payment of the other Securityholders; and
- (vii) in payment of the balance (if any) to us.

Fees and reduction in the EUA Entitlement per EUA Linked Security

In respect of each Series of EUA Linked Securities, we are required to pay certain fees to each of the Programme Administrator, the EUA Custodian and the EUA Disposal Agent. Such fees accrue, in aggregate, at a rate per annum equal to the Total Expense Ratio for such Series. The Total Expense Ratio is applied on a daily basis to reduce the EUA Entitlement per EUA Linked Security and therefore operates as a charge on Securityholders of the relevant Series. In order to satisfy these fees, the EUA Disposal Agent (acting on our behalf) will periodically realise Underlying EUAs representing the aggregate reduction in the EUA Entitlement per EUA Linked Security since the previous realisation (subject to rounding). There can be no assurance that the Underlying EUAs will perform sufficiently to increase or maintain the Value per EUA Linked Security of the EUA Linked Securities by such amount as is necessary to negate the Total Expense Ratio deducted since the time you purchased the EUA Linked Securities.

In addition, the level of these fees may vary from time to time and the Programme Administrator has the right to adjust the level of the Total Expense Ratio accordingly. Any increase in the Total Expense Ratio will result in an increase in the daily reduction of the EUA Entitlement per EUA Linked Security.

Enforcement

As a Securityholder, your rights include the right to any payments or deliveries due to holders of EUA Linked Securities in accordance with the Conditions. You may also have the right to make certain determinations or decisions (which may sometimes be required to be made by a resolution of Securityholders or which may simply require a direction in writing by a specified percentage of Securityholders) and we may only take certain actions with respect to the EUA Linked Securities if approved by Securityholders. You should note that, notwithstanding that you may be owed payments under the EUA Linked Securities, your rights of direct action against us are limited as the right to take such action is generally instead vested in the Trustee.

The Conditions specify the requirements for exercising each right in respect of the EUA Linked Securities, including the person (if any) that is entitled to enforce such right on behalf of the Securityholders and the required percentage of Securityholders (if any) that may direct such person to enforce such right. For example, the Conditions specify that only the Trustee may exercise the right to enforce the security on behalf of Securityholders if a default in payment by us has occurred. The Securityholders may direct the Trustee to exercise such rights by way of an Extraordinary Resolution or in writing by Securityholders of at least one-fifth in number of the relevant Series of EUA Linked Securities and provided that the Trustee has been secured and/or pre-funded and/or indemnified to its satisfaction. An "Extraordinary Resolution" means a resolution passed at a duly convened meeting by a majority consisting of not less than 75 per cent. of the votes cast at such meeting or a resolution in writing signed by or on behalf of Securityholders of not less than 75 per cent. of the aggregate number of EUA Linked Securities of that Series of EUA Linked Securities.

We have executed a Trust Deed in respect of the EUA Linked Securities, under which we have covenanted to the Trustee that we will make the relevant payments due on the EUA Linked Securities. The Trustee holds the benefit of this covenant for Securityholders. If we fail to make a payment or delivery when due, only the Trustee may pursue the remedies available under the Trust Deed to enforce your rights, unless the Trustee fails or neglects to do so within a reasonable time after having become bound to do so and such failure is continuing.

Modification, waivers and substitution

The Trust Deed governs the calling of meetings of Securityholders (including you) to consider matters affecting your interests generally. These provisions permit defined majorities to bind all Securityholders (including you) of the relevant Series of EUA Linked Securities, including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority. You will be bound by the decisions of other Securityholders even if you did not attend the meeting where the decision was made or voted against the decision.

The Trust Deed also allows the Trustee, without your consent or the consent of other Securityholders, to agree to (i) any modification to the Conditions of the EUA Linked Securities, the relevant Trust Deed or any other Transaction Document entered into in connection with the EUA Linked Securities if it decides the modification is formal, minor or technical or made to correct a manifest error or (ii) any other modification, any waiver or authorisation of any breach or proposed breach of any of the Conditions of the EUA Linked Securities, the relevant Trust Deed or any other Transaction Document entered into in connection with the EUA Linked Securities if it decides the modification, waiver or authorisation is not materially prejudicial to the interests of the Securityholders. The Trustee will consider the interests of Securityholders as a class and will not consider the interests of individual Securityholders.

Securityholder directions

The Conditions of the EUA Linked Securities permit the holders of one-fifth or more of the outstanding number of EUA Linked Securities of a Series, upon the Programme Administrator becoming entitled to serve a Tax Redemption Event Notice or at any time after the Security has become enforceable, to direct the Trustee to deliver a notice or take such other action in accordance with the Conditions, whereupon the Early Redemption Amount in respect of that Series of EUA Linked Securities will become due and payable on the relevant Early Redemption Date and/or the Security will be enforced by the Trustee. You should be aware, however, that the Trustee will not be obliged to take any step or action or to act in accordance with any such direction unless the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction by one or more Securityholders. This may result in a delay in any step or action being taken by the Trustee or, if the Securityholders cannot put adequate arrangements in place, in no step or action being taken by the Trustee.

Taxation and no gross-up

Each Securityholder (including you) will assume and be solely responsible for any and all Taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local Taxes or other like assessment or charges that may be applicable to any payment to a Securityholder in respect of the EUA Linked Securities. In the event that any withholding or deduction for or on account of Tax is imposed on payments on the EUA Linked Securities, the Securityholders (including you) will be subject to such tax or deduction and will not be entitled to receive amounts to compensate for such withholding or deduction. No Event of Default will occur as a result of any such withholding or deduction.

Transfers of EUAs to or from us under the Authorised Participant Agreement, transfers of EUA Linked Securities to us in the case of a Non-AP Buy-Back Order or payments of the sale proceeds of EUAs to us in the case of liquidation of Underlying EUAs may be subject to charges, withholding or deduction for, or on account of, Taxes. In such circumstances the sums available to us (and/or the Trustee) to pay the Early Redemption Amount or the Final Redemption Amount (as applicable) may not be sufficient to satisfy in full your claims and all creditors whose claims rank in priority to yours as a Securityholder.

We may become liable for Tax charges or be required to account for Tax whether by direct assessment or withholding. If any such event occurs as a result of a change in law or regulation that materially increases the cost to us of performing our obligations under the EUA Linked Securities or makes it illegal for us to do the same or to hold, acquire or dispose of the EUAs, the EUA Linked Securities may become subject to early redemption. Accordingly, there is a risk that you may receive a lower return on your investment than you would have done had such early redemption not occurred.

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

Regulatory events

The global financial crisis of 2008 onwards led to an increased regulation of financial activities. The United States of America, the EU, the UK and other jurisdictions have implemented, and are still in the process of

implementing, various reform measures. Such regulatory changes and the method of their implementation may have a significant effect on the operation of financial markets. In many cases, it is uncertain how such regulatory reform would affect us, the treatment of instruments such as the EUA Linked Securities or the activities of other parties that have roles with respect to the EUA Linked Securities, such as (without limitation) the Programme Administrator and the Trustee. You should be aware that we have a general right to redeem the EUA Linked Securities at their Early Redemption Amount (see “*Risks Relating to the EUA Linked Securities – Early Redemption Events and Events of Default*”). The impact (or likely or proposed impact) of regulatory reform may lead us to exercise such right. As the Early Redemption Amount is determined by reference to the Average EUA Sale Price, you may lose some or all of your investment if the Underlying EUAs have fallen in value since the time you purchased the EUA Linked Securities.

Exchange rates and exchange controls

We will make payments in respect of the relevant Series of EUA Linked Securities in the Specified Currency, being euro. This will create currency conversion risks if your financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency-equivalent return on the EUA Linked Securities, (ii) the Investor’s Currency-equivalent value of the amount(s) payable on the EUA Linked Securities and (iii) the Investor’s Currency-equivalent market value of the EUA Linked Securities.

Change of law

The terms and conditions of the EUA Linked Securities are based on relevant laws in effect as at the date of this Base Prospectus. Any future judicial decision or change to relevant laws or administrative practices after the date of this Base Prospectus may have an unfavourable or adverse impact on you, including a reduction in the value of the Underlying EUAs. A future judicial decision, change of law or administrative practice may make EUAs a commercially unattractive asset and therefore cause the demand for EUAs on the secondary market to fall, which will directly impact the value of your EUA Linked Securities and, consequently, the anticipated return on your investment.

Rounding

The number of EUAs determined by the Calculation Agent as being deliverable to us pursuant to a Subscription Order is rounded up to the nearest whole number (such number being the Subscription Settlement Amount) so an Authorised Participant may be required to deliver more EUAs on subscription than expected. Similarly, the number of EUAs determined by the Calculation Agent as being deliverable to either (i) an Authorised Participant in respect of an AP Buy-Back Order or (ii) a Non-Authorised Participant Securityholder in respect of a Non-AP Buy-Back Order is rounded down to the nearest whole number (such number being the Buy-Back Settlement Amount) so an Authorised Participant or Non-Authorised Participant Securityholder may receive fewer EUAs on buy-back than expected. Therefore, your investment may yield a lesser return than expected.

The number of EUAs which are realised for the purposes of satisfying the fees which will accrue, in aggregate, at a rate per annum equal to the Total Expense Ratio may also be rounded on such rounding basis as may be agreed between the EUA Disposal Agent and the Calculation Agent from time to time, in accordance with the Agency Agreement. Therefore, fewer EUAs than expected may be available to be:

- (i) delivered to (a) an Authorised Participant following an AP Buy-Back Order, or (b) a Non-Authorised Participant Securityholder (including you) following a Non-AP Buy-Back Order, since EUAs realised for the purposes of satisfying such fees are deducted when determining the EUA Entitlement per EUA Linked Security; and

- (ii) liquidated by the EUA Disposal Agent to enable us to pay to you the Early Redemption Amount or Final Redemption Amount, reducing the Early Redemption Amount or Final Redemption Amount payable.

EUA Linked Securities in global form

Registered Global Certificates will be held by or on behalf of Euroclear and/or Clearstream, Luxembourg and/or Relevant Clearing Systems, as applicable. You will be reliant on their procedures for transfer, payment and communication with us. Euroclear and/or Clearstream, Luxembourg and/or Relevant Clearing Systems, as the case may be, will maintain records of the beneficial interests in the Registered Global Certificate. While the EUA Linked Securities are represented by one or more Registered Global Certificate, you will be able to trade your beneficial interests only through Euroclear and/or Clearstream, Luxembourg and/or Relevant Clearing Systems, as the case may be.

While the EUA Linked Securities are represented by one or more Registered Global Certificate, we will discharge our payment obligations under the EUA Linked Securities by making payments to Euroclear and/or Clearstream, Luxembourg and/or Relevant Clearing Systems, as the case may be, for distribution to their accountholders. A holder of an interest in a Registered Global Certificate must rely on the procedures of Euroclear and/or Clearstream, Luxembourg and/or Relevant Clearing Systems, as the case may be, to receive payments under the relevant EUA Linked Securities. We do not have responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in Registered Global Certificates.

Holders of beneficial interests in Registered Global Certificates will not have a direct right to vote in respect of the relevant EUA Linked Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and/or Clearstream, Luxembourg and/or Relevant Clearing Systems, as the case may be, to appoint appropriate proxies.

Risks relating to EUAs

EUA-linked securities

The EUA Linked Securities are securities which are linked to the price of EUAs.

You should be aware that the price of EUAs can go down as well as up and that the performance of EUAs in any future period may not mirror their past performance. There can be no assurance as to the future performance of EUAs.

The Value per EUA Linked Security of the EUA Linked Securities incorporates a deduction for the Total Expense Ratio which affects how closely the EUA Linked Securities track the value of EUAs. Due to this and other factors, the EUA Linked Securities may trade differently from the performance of EUAs and changes in the market price of EUAs may not result in a comparable change in the market price or in the Value per EUA Linked Security of the EUA Linked Securities.

The value of EUAs is dependent upon macroeconomic factors including, but not limited to, supply and demand, liquidity, performance of certain sectors caught under compliance schemes, any new developments in technology or other innovations which have the potential to reduce greenhouse gas emissions or to sequester carbon, global and regional events, changes in economic and climate policy, direct investment costs and changes in tax rates and changes in laws, regulations and the activities of governmental or regulatory bodies. These events are outside of our control and their occurrence may have a positive or negative impact on the price of EUAs. An investment in the EUA Linked Securities is not the same as investing directly in and physically holding EUAs themselves. Whilst there may be certain reasons why an entity may hold an inventory of EUAs directly (for example, where they are subject to the EU ETS and are required to surrender a number of EUAs equivalent to their greenhouse gas emissions), it also poses administrative burdens and costs, including those arising from maintaining EUA holding account(s). These administrative burdens and costs may prove unattractive to you if you are interested solely in the

price movement of EUAs. Each Series of EUA Linked Securities permits an investor to obtain exposure to the price of EUAs without being directly subject to these administrative burdens and costs (although you will incur a fee represented by the deduction of the Total Expense Ratio in determining the EUA Entitlement per EUA Linked Security). However, you, as an investor in a product linked to EUAs, can nevertheless be indirectly exposed to the administrative burdens and costs mentioned above, as these may be reflected in the prices at which EUAs can be bought and therefore in the price of the EUA Linked Securities.

Holding and transfer of EUAs by the EUA Custodian

EUAs are held in accounts in the Union Registry, managed by individual Member States (pursuant to Article 19(1) of the “EU ETS Directive” 2003/87/EC). Every account has an administrator responsible for administering the account on behalf of a Member State or on behalf of the Union. The Underlying EUAs in respect of a Series of EUA Linked Securities will be held on a pooled basis in an EUA account opened by, and in the name of the EUA Custodian, in the Luxembourg section of the Union Registry. A separate EUA account will be opened in respect of each Series of EUA Linked Securities. The EUAs will therefore be subject to the relevant rules, laws, regulations and conditions imposed in accordance with both EU law and Luxembourg law. The transfer of EUAs may be subject to limitations and restrictions imposed in accordance with these laws or by the Union Registry and, therefore, the EUA Custodian may not be able to effect the transfer of the Underlying EUAs as required by the EUA Disposal Agent in carrying out its obligations under the Agency Agreement or, where the relevant security has become enforceable, as instructed by the Trustee.

Fraud relating to carbon credits

As with many similar financial markets, the EU ETS has historically been subject to fraud and attacks of cybercrime, phishing and cyber-hacking scams. Historically, cyber-criminals have stolen EUAs from accounts (in the then existing National Registries) and sold them on exchanges via the spot market. This can and has caused significant liquidity issues in the market, exacerbated by the interventions of the relevant authorities to prevent further such security breaches (including by suspending the trading and delivery of EUAs). In addition, fraudsters have historically implemented so called VAT carousels whereby EUAs were purchased from countries that did not charge VAT, and on-sold to purchasers in countries that did charge the tax, with the fraudsters pocketing the VAT and then disappearing.

These frauds received substantial media coverage. Such negative publicity may contribute to a decrease in the value of EUAs and affect the market price of EUAs and therefore the EUA Linked Securities, including any market price you receive in any secondary market transaction.

EUA market value

The market value of EUAs is likely to change during the term of the EUA Linked Securities.

The EU ETS is a policy-driven cap and trade system established by the EU to reduce the emission of greenhouse gases within the EU. It is therefore exposed to political changes. Any changes which the EU makes to the EU ETS may affect the market price of EUAs. The supply of and demand for EUAs can be affected by political decisions taken in relation to the EU ETS including the levels of free allocation, a cap on total volume of emissions and the share of allowances up for auction. Such changes may affect the market value of EUAs. Although the relevant legislation currently provides that EUAs that are compliant during the third compliance period of the EU ETS (“**Phase III EUAs**”) will automatically be converted to EUAs that are compliant during the fourth compliance period (“**Phase IV EUAs**”), there is theoretically a risk that such legislation may be repealed, potentially with retroactive effect such that such Phase III EUAs are no longer eligible in Phase IV of the EU ETS. This would negatively affect the market value of the EUA Linked Securities (and may trigger early redemption). The same may be true in respect of future phases of the EU ETS.

The EUA market can be volatile due to many other factors, in particular liquidity levels, speculation and market sensitivity to actual or anticipated political decisions and announcements surrounding the EU ETS,

and the price of fossil fuels (in particular coal and gas prices). Any change in the global, regional political, economic or financial conditions that have contributed or may contribute to a decrease in the value of EUAs (including a downturn in demand for EUAs) may affect the market price of the EUA Linked Securities, including any market price received by an investor in any secondary market transaction.

Such events could also cause trading on relevant exchanges to be disrupted, including exchanges which operate futures and options markets in EUAs or which conduct auctions in EUAs for the purposes of the EU ETS.

Notably, currently, the ongoing conflict between the Russian Federation and Ukraine is contributing to further increases in the prices of energy, oil and other commodities and to volatility in financial markets globally, including the EUA market. In light of Europe's reliance on Russia for the supply of gas, the uncertainty surrounding the outcome of the war and the effects of global sanctions on Russia may cause uncertainty and volatility in the price of EUAs and, by extension, the value of your EUA Linked Securities.

The market value of EUAs may also fluctuate according to the growth or reduction in economic activity in countries which are significant producers of carbon emissions or in industries or industrial sectors within the scope of the EU ETS.

Further, the market value of EUAs may also vary according to the delivery date of any transaction. The market in EUAs has moved between a backward-dated (i.e., where the forward price of a futures contract of EUAs is lower than the spot price of such contract) and contango state (i.e., where the forward price of a futures contract of EUAs is higher than the spot price of such contract) and may do so in the future. The forward curve may also be affected by the transition between one phase of the EU ETS and another; and backwardation or contango in EUA prices may be affected by, among other things, changes in actual or expected policy to be applied across any such phases.

Final Redemption Amounts and Early Redemption Amounts are calculated and paid irrespective of the current EUA price

The EUA Disposal Agent will sell the Underlying EUAs in respect of the relevant Series of EUA Linked Securities in one or more transactions during the Redemption Disposal Period and the prices obtained in such sales will affect the determination of the Final Redemption Amount or Early Redemption Amount (as applicable). During the Redemption Disposal Period, the EUA Disposal Agent will sell the Underlying EUAs at the then-current EUA prices.

Assuming all other factors remain constant, lower EUA prices during the Redemption Disposal Period will lead to a lower Final Redemption Amount or Early Redemption Amount (as applicable). You may lose some or all of your investment if the relevant Underlying EUAs fall in value (or do not perform well enough to offset the deduction of fees) — the greater the fall in value of the Underlying EUAs, the greater the loss of your investment.

Pricing Volatility

Carbon markets have the potential to suffer from market disruption or volatility. Such events could result in sudden increases in EUA prices for a short period (also known as price spikes). Price spiking can also result in volatile forward rates which could result in the bid/offer spread (the difference between the bid price (i.e. the price at which you can sell EUA Linked Securities to the Authorised Participant) and the offer price (i.e. the price at which a holder can buy EUA Linked Securities from the Authorised Participant)) on any stock exchange or market where the EUA Linked Securities are traded to widen, reflecting short-term forward rates in the EUAs.

The recent growth of investment products offering investors an exposure to EUAs (including products similar to the EUA Linked Securities and the EUA Linked Securities themselves) may significantly change the supply and demand profile of the market from that which has traditionally prevailed. Changes in supply and demand for such investment products will directly impact on the supply and demand in the market for

the underlying EUAs. This may have the effect of increasing volatility in the price and supply of the relevant EUAs. Such products require the purchase and sale of the relevant EUAs, and, depending on the success of such products, this may lead to a substantial increase in the volume of transactions.

Since the Value per EUA Linked Security is computed based on the price of EUAs, volatility in the price of EUAs will cause the Value per EUA Linked Security and therefore the value of your investment to fluctuate. Such pricing volatility will also impact the price at which you are able to sell your EUA Linked Securities on the secondary market.

Purchasing or selling activity in the market may cause temporary increases or decreases in the price of EUAs, which may have an adverse effect on the value of the EUA Linked Securities

Purchasing activity associated with acquiring EUAs required for the Authorised Participant to subscribe for EUA Linked Securities of a Series may temporarily increase the market price for EUAs, which may result in a higher Value per EUA Linked Security for certain periods of time. Other market participants may attempt to benefit from an increase in the market price of EUAs due to increased purchasing activity of EUAs connected with the issuance of new securities of a Series of EUA Linked Securities which could result in a temporarily higher Value per EUA Linked Security. The value of an investment in EUA Linked Securities (including yours) will then artificially increase during this temporary period.

Conversely, our selling activity following an Early Redemption Commencement Date (which may have the effect of lowering the price of the EUAs) may be observed and/or predicted by other market participants who may attempt to benefit by purchasing EUAs at artificially lower prices than would have occurred had no such Early Redemption Commencement Date occurred. The value of an investment in EUA Linked Securities (including yours) will drop as a result of the decrease in the Value per EUA Linked Security following the fall in the price of EUAs.

More generally, the Value per EUA Linked Security of the EUA Linked Securities will be affected by movements in the price of EUAs.

Disruption of markets on which EUAs are traded

Any disruption to the relevant exchange or trading facility for trading of EUAs can affect the secondary market and the price of EUAs and the Value per EUA Linked Security of the EUA Linked Securities. Markets, exchanges and trading facilities have the potential to suffer from market disruption, due to trading failures or other events. Such events could result in a failure to price the EUAs and this may result in non-calculation and non-publication of the EUA Entitlement per EUA Linked Security and/or the Value per EUA Linked Security of the EUA Linked Securities. This may also result in the early redemption of the EUA Linked Securities at their Early Redemption Amount.

As the Early Redemption Amount or the Final Redemption Amount (as the case may be) is calculated and paid irrespective of the current price of EUAs, you may lose some or all of your investment if during the Early Redemption Disposal Period or Final Redemption Disposal Period (as applicable), the Underlying EUAs fall in value.

Risks relating to the UK's departure from the EU

Following the UK's departure from the EU ETS, there is a risk that the new UK Emissions Trading Scheme, which came into effect on 1 January 2021 replacing the UK's participation in the EU ETS, may affect demand and supply for EUAs now or in the future, which may impact the market value of EUAs and therefore the market value of the EUA Linked Securities.

Abandonment of the EU ETS

The EU ETS is a policy driven cap and trade system established by the EU to reduce the emission of greenhouse gases within the EU. It is therefore exposed to political changes. The European Council currently considers that a well-functioning EU ETS is the key measure for achieving the EU's target to reduce greenhouse gas (GHG) emissions by 40 per cent. below 1990 levels by 2030 and for fulfilling the

EU's commitments under the Paris Agreement. However, it is possible that at some point the EU may abandon the EU ETS in favour of other policy measures. If this were to happen then EUAs may cease to be tradable or to have a market value.

Regulatory treatment

The regulatory treatment of EUAs and of trading in EUAs (including under Directive 2004/39/EC ("**MiFID**") and other financial regulations) is evolving and is subject to the risk of change. Changes in the level and nature of regulation may affect a market participant's continued ability to trade in EUAs or to implement a trading strategy in relation to them.

Tax Risk

The tax treatment of EUAs and of transactions in EUAs is also subject to change and may vary according to the fiscal policy of the relevant jurisdiction. Changes in tax treatment may affect the economics of a market participant's planned activities.

Risks relating to the operation of the Union Registry

The suspension of some or all of the processes or functioning of the Union Registry or the Luxembourg section of the Union Registry, or scheduled or emergency maintenance of the Union Registry or the Luxembourg section of the Union Registry, or the failure to operate and maintain the Union Registry or the Luxembourg section of the Union Registry, may prevent or delay delivery and/or transfer of the Underlying EUAs as instructed by us or the EUA Disposal Agent on our behalf, or, where the relevant security has become enforceable, as instructed by the Trustee.

Risks relating to the EUA Disposal Agent, the EUA Custodian, the Account Bank, the Programme Administrator and the Issuing and Paying Agent

You are exposed to default risk of the EUA Custodian

The Underlying EUAs in respect of a Series of EUA Linked Securities will be held in an EUA account opened in the name of, and maintained by, the EUA Custodian. Our ability to meet our obligations with respect to the EUA Linked Securities will therefore be dependent upon the performance by the EUA Custodian of its obligations under the relevant EUA Custody Agreement. If the EUA Custodian fails to perform its obligations, or in the event of a bankruptcy or insolvency of the EUA Custodian, there can be no assurance that the EUA Disposal Agent, on our instruction, will be able to deliver, take delivery of and/or realise the Underlying EUAs on a timely basis. Moreover, the Luxembourg Administrator may prevent access to and suspend the EUA Custody Account until such time as evidence is provided to the Luxembourg Administrator's satisfaction, that, despite the EUA Custodian's insolvency or bankruptcy, the appointment of the authorised representatives in respect of the EUA Custody Account is not affected. For this purpose, the Luxembourg Administrator will require "*official information about who has the rights to represent the account holder*" (as such phrase is used pursuant to Article 30(5) of the Registries Regulation) and consider such information on a case-by-case basis. In the event that evidence is provided which is deemed satisfactory, it is not clear when access to the EUA Custody Account by the EUA Custodian's appointed authorised representatives will be unblocked. If no satisfactory evidence is deemed provided to the Luxembourg Administrator by it, the relevant authorised representatives would be unable to access the EUAs held in the EUA Custody Account. This may, *inter alia*, affect whether or not the EUAs could be transferred to a replacement custodian, whether or not the Issuer could satisfy any transfers of EUAs to meet its obligations to transfer EUAs in respect of buy-backs and the Trustee's ability to enforce the Security in respect of the EUAs or the timing in respect of any of such events.

In addition, pursuant to the terms of the EUA Custody Agreement, the EUA Custodian is under no duty to verify that any instruction or direction by any party to the EUA Custody Agreement is accurate, correct or in accordance with the EUA Custody Agreement, except that it shall take reasonable steps to verify that the relevant instruction or direction (as the case may be) is received from a Designated Person of the

relevant party. The EUA Custodian shall be under no duty or obligation to insure the Underlying EUAs against any risk (including without prejudice to the generality of the foregoing, the risk of loss, damage, destruction or mis-delivery) to the Underlying EUAs or any part thereof howsoever caused, but shall be required to notify the Issuer in the event that it fails to maintain or amend any material provision of its professional liability insurance policy. The Issuer maintains no separate insurance over or in respect of the Underlying EUAs. Any failures in performance by the EUA Custodian may result in you losing some or all of your investment.

Reliance on the records of the EUA Custodian

The definitive records of the EUA Custodian in respect of each EUA Custody Account are prepared by members of its operations teams and their computer systems which track the number of Underlying EUAs in each EUA Custody Account for each relevant Series of EUA Linked Securities.

In the event that there are computer system failures or human error making any relevant entries to the records, then in the event of an insolvency of the EUA Custodian it may be difficult to determine the accuracy of any entries and such determination may take significant time.

Therefore, any such computer system failures or human errors may result in you losing some or all of your investment if such determination will take significant time or is unable to be made.

You are exposed to the risk of the EUA Disposal Agent failing to fulfil its obligations under the Agency Agreement

Our ability to meet our obligations under the EUA Linked Securities depends on our receipt of the net proceeds of the liquidation of the Underlying EUAs by the EUA Disposal Agent shortly before the Scheduled Maturity Date or the Early Redemption Date (as applicable). Following liquidation, the EUA Disposal Agent shall procure that the Net Sale Proceeds are paid into the Cash Account in accordance with the Agency Agreement. If the EUA Disposal Agent fails to do this, the Security under the EUA Linked Securities may become enforceable.

However, if, following realisation in full of the Mortgaged Property relating to the EUA Linked Securities (whether by way of liquidation or enforcement) and application of available cash sums as provided in Condition 16 (*Application of Mortgaged Property and Proceeds of Enforcement of Security*), there are any outstanding claims against us in respect of such EUA Linked Securities which remain unpaid, then such outstanding claim will be extinguished and no debt will be owed by us in respect thereof. In such circumstances you may not receive back your investment and may receive zero. Therefore, you are exposed to the risk of the EUA Disposal Agent failing to fulfil its obligations under the Agency Agreement.

You are exposed to the creditworthiness of the Account Bank

On early redemption, the EUA Disposal Agent will dispose of the Underlying EUAs held on our behalf and pay the aggregate proceeds of such disposals to the Cash Account maintained by the Account Bank in relation to the relevant Series of EUA Linked Securities. As such, our ability to meet our obligations with respect to the EUA Linked Securities will be dependent on our access to the proceeds credited to the Cash Account maintained with the Account Bank and you will therefore be exposed to the credit risk of the Account Bank.

You are exposed to the creditworthiness of the Programme Administrator and the EUA Disposal Agent in respect of their obligations under the Programme Administrator Agreement and the Agency Agreement respectively

Our ability to service the costs of the Programme as set out under the Programme Administrator Agreement and the Agency Agreement depends on the Programme Administrator and the EUA Disposal Agent meeting their obligations to pay such costs on our behalf. If the Programme Administrator and/or the EUA Disposal Agent (as the case may be) do not pay in full the amounts payable under the Programme Administrator Agreement and the Agency Agreement respectively when due in connection with the costs

of the Programme and we do not recover fully on our claims against the Programme Administrator and/or the EUA Disposal Agent (as the case may be) in relation to such non-payment, following liquidation of the Underlying EUAs upon the occurrence of an Early Redemption Event or following enforcement of the Security, any costs so unpaid will form part of the Series Overheads or be fees, expenses and charges due to the Transaction Parties which rank prior to your claims and may reduce the amount recoverable by you. Therefore, you are exposed to the creditworthiness of the Programme Administrator and the EUA Disposal Agent in meeting their payment obligations under the Programme Administrator Agreement and the Agency Agreement respectively.

You are exposed to the creditworthiness of the Issuing and Paying Agent

Any payments made to you in respect of the EUA Linked Securities will be made by the Issuing and Paying Agent on our behalf. Pursuant to the Agency Agreement, we will transfer to the Issuing and Paying Agent the amount due under the relevant Series of EUA Linked Securities on or before each date on which the relevant payment is due. If the Issuing and Paying Agent, while holding funds for payment to you, is declared insolvent, you may not receive all (or any part) of any amounts due to you. Further, we will have insufficient assets to make such payment (or part thereof). Consequently, you are relying on the creditworthiness of the Issuing and Paying Agent in respect of the performance of its obligations under the Agency Agreement to make or facilitate payments to you.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with:

- (i) the directors' report and financial statements of the Issuer for the period from 1 January 2021 to 31 December 2021.
- (ii) the directors' report and financial statements of the Issuer for the period from 1 January 2022 to 31 December 2022.

Such documents shall be incorporated into and shall form part of this Base Prospectus, save that any statement contained herein or in a document incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is incorporated by reference herein modifies or supersedes such statement. Any such statement modified or superseded shall not, except as so modified or superseded, constitute part of this Base Prospectus. Any documents which are incorporated by reference into the documents listed above shall not constitute part of this Base Prospectus.

The above documents are available on the following website (or such other website as may be notified to Securityholders): <https://harp-issuer.ie/>.

CONFLICTS OF INTEREST

General

Securityholders should be aware that the Transaction Parties and any of their respective Affiliates may act in a number of capacities in connection with any issue of EUA Linked Securities. The relevant Transaction Party or any such Affiliate, as the case may be, has no duties or responsibilities to Securityholders other than those stated in the documents in respect of any Series of EUA Linked Securities.

The Transaction Parties are entitled to certain fees and expenses which are paid in priority to (i.e., before) Securityholders are paid amounts on the EUA Linked Securities. Securityholders will only be paid amounts due on the EUA Linked Securities after such parties have been paid.

The Transaction Parties and any of their respective Affiliates may, at any time:

- (i) enter into business dealings and enter into any kind of commercial or investment banking transaction relating to the EUA Linked Securities from which they may derive revenues and profits in addition to any fees related to the EUA Linked Securities. Such activity may have an adverse effect on Securityholders or the Issuer and such entities shall not be required to account to Securityholders or the Issuer for any such revenue and profits;
- (ii) be entitled to receive fees or other payments under or in connection with other products linked to EUAs or otherwise and to exercise all rights, including rights of termination or resignation, which they may have, even though doing so may have a detrimental effect on Securityholders;
- (iii) engage in trading and market-making activities and may hold long or short positions in EUAs and in other financial instruments or products based on or related to EUAs for their own accounts or for other accounts under their management. Such parties may also issue securities or enter into financial instruments in relation to EUAs. These activities could present certain conflicts of interest, could adversely affect the price and liquidity of any component of the EUA Entitlement per EUA Linked Security, and may have an adverse effect on the Value per EUA Linked Security of the EUA Linked Securities. None of the Transaction Parties or their respective Affiliates are required to take into account Securityholders' interests when engaging in such activities;
- (iv) have certain information (confidential or otherwise) which they are not obliged to notify Securityholders or the Issuer which may affect a Securityholder's decision to invest in the EUA Linked Securities if that Securityholder had known such information; and
- (v) enter into other transactions or arrangements in relation to EUAs (e.g., entering into a swap or derivative transaction) which means their interests in respect of EUAs may not be aligned with Securityholders' interests. For example, such party may have entered into a derivative transaction where the amount it gets paid is determined by the reduction in value of EUAs. This means that such party will benefit from a reduced value of EUAs, while the EUA Linked Securities may suffer losses in such case. Such party may take action under any such transaction or arrangements which may be adverse to the interests of Securityholders or the Issuer or may have an adverse effect on the Value per EUA Linked Security of the EUA Linked Securities.

The EUA Disposal Agent

The EUA Disposal Agent may, as well as acting as disposal agent in relation to the Programme and the EUA Linked Securities (and receiving fees in this capacity), provide services (including, but not limited to, acting as asset/portfolio manager or financial/investment advisor) to investors in the EUA Linked Securities acting as either principal or agent. The EUA Disposal Agent may also manage or advise in assets that have investment objectives similar or dissimilar to the Issuer and/or the EUA Linked Securities.

This may result in potential conflicts of interest between the investor's interests and the EUA Disposal Agent's interests. Securityholders to whom the EUA Disposal Agent provides services should consult with the EUA Disposal Agent in order to assess how such potential conflicts are addressed.

Securityholders should be aware that the EUA Disposal Agent in respect of a Series of EUA Linked Securities may also act as a disposal agent in respect of securities issued by the Programme Administrator or by another special purpose vehicle under a programme administered by the Programme Administrator.

INFORMATION ABOUT EUAS

POTENTIAL INVESTORS IN EUA LINKED SECURITIES ARE ADVISED TO CONDUCT THEIR OWN INDEPENDENT INVESTIGATION OR CONSULT WITH THEIR RELEVANT ADVISORS AS TO THE PROSPECTS AND CONSEQUENCES OF A PURCHASE OF EUA LINKED SECURITIES LINKED TO ANY PARTICULAR EUAS. THE INFORMATION BELOW DOES NOT PURPORT TO BE A COMPLETE SUMMARY OF EUAS OR THE CURRENT PRACTICES INVOLVED IN THE ALLOCATION AND TRADING OF EUAS.

The Issuer will, in connection with each issue of EUA Linked Securities, receive EUAs from the Authorised Participants subscribing for such EUA Linked Securities in accordance with Condition 8(a) (*Further Issues*) and/or the relevant Authorised Participant Agreement. Such EUAs will be held by the EUA Custodian in the relevant EUA Custody Account.

A separate EUA Custody Account shall be opened and maintained in respect of each Series of EUA Linked Securities.

Description of the EU ETS

The EU ETS is a policy-driven cap and trade system established by the EU to reduce the emission of greenhouse gases within the EU. Applicable entities which are caught under the scheme are required to surrender a number of EUAs (each being an allowance to emit one tonne of carbon dioxide equivalent during a specified period) matching the volume of their greenhouse gas emissions.

Description of EUAs

EUAs are tradeable allowances which allow the holder to emit a specific volume of carbon dioxide equivalent or other greenhouse gas. Entities that hold EUAs must surrender one allowance for every tonne of carbon dioxide or other greenhouse gas emitted during that year. If participants have exceeded their greenhouse gas emissions, participants in the EU ETS will need to either (i) reduce their emissions or (ii) purchase additional allowances. EUAs are held in accounts in the Union Registry managed by individual Member States (pursuant to Article 19(1) of the EU ETS Directive). Every account has an administrator responsible for administering the account on behalf of a Member State or on behalf of the EU. The EUAs in respect of a Series of EUA Linked Securities will be held for the benefit of the Issuer in an EUA Custody Account in the Luxembourg section of the Union Registry held, maintained and managed by the EUA Custodian.

EUA Prices

EUAs can be purchased on the primary market (in the form of regulated auctions or in some instances, by way of free allocation) or traded on the secondary market (including at spot and through emissions trading derivatives). The value of an EUA is denominated in euro.

The EUA market can be volatile due to many factors such as liquidity levels, speculation and market sensitivity to actual or anticipated political decisions and announcements surrounding the EU ETS, and the price of fossil fuels (in particular coal and gas prices). As such, the EUA market value is likely to change during the term of the EUA Linked Securities. Such events could also cause secondary trading on relevant exchanges to be disrupted, including exchanges which operate futures and options markets in EUAs or which conduct auctions in EUAs for the purposes of the EU ETS.

Market Regulation

There are three key pieces of EU legislation in respect of the EU ETS:

- (i) the EU ETS Directive, which governs the functioning of the EU ETS, including the participation of applicable businesses in the scheme;
- (ii) the Registries Regulation, which governs the operation of the Union Registry; and
- (iii) the Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a system for greenhouse gas emission allowances trading within the Union, as amended from time to time (the “**Auctioning Regulation**”), which governs the allocation of the EUAs through auction.

As the Registries Regulation and the Auctioning Regulation are EU regulations, these regulations (and any changes thereto) apply directly to Member States. In contrast, the EU ETS Directive required each Member State to incorporate its provisions at a national level and therefore any amendments to the EU ETS Directive will also require similar national implementation.

FREQUENTLY ASKED QUESTIONS

Terms used in these frequently asked questions and not defined have the meanings given to them in the Conditions. In this section “Frequently Asked Questions” we refer to current and prospective investors in the EUA Linked Securities as “you” and “your”. Unless otherwise indicated, references to “we”, “our” and “us” refer to the Issuer only.

General

1. *What are EUA Linked Securities?*

The EUA Linked Securities are secured debt securities issued by us, HARP Issuer PLC. The EUA Linked Securities are designed to provide you with exposure to EUAs without you having to open a Holding Account and take physical delivery of EUAs.

2. *How do EUA Linked Securities give you exposure to EUAs?*

The EUA Linked Securities are backed by EUAs, which are held on our behalf by the EUA Custodian (see Question 11 “*How are the EUAs held?*”). The value of the EUA Linked Securities is linked to the value of the Underlying EUAs (see Question 6 “*What is the Value per EUA Linked Security and how is it calculated?*”).

3. *Do the EUA Linked Securities pay interest?*

EUA Linked Securities will not pay periodic interest. However, on final or early redemption of the EUA Linked Securities, a Specified Interest Amount may be payable by us as part of the Final Redemption Amount or Early Redemption Amount (as applicable) payable per EUA Linked Security. The Specified Interest Amount payable per EUA Linked Security will be calculated by determining each EUA Linked Security’s *pro rata* share of the amount of interest which has accrued on the proceeds of the realisation of the Underlying EUAs which have been deposited into the Cash Account in respect of a Series, subject to a minimum of zero.

4. *Do the EUA Linked Securities have a set maturity date?*

Yes. The EUA Linked Securities in respect of a Series will be redeemed in full on the Scheduled Maturity Date (which will be specified in the relevant Final Terms). EUA Linked Securities in respect of a Series may be redeemed prior to their Scheduled Maturity Date following the occurrence of an Early Redemption Event or an Event of Default (see Question 14 “*What will trigger an early redemption of the EUA Linked Securities?*”), or we may buy back and cancel EUA Linked Securities at any time prior to the Scheduled Maturity Date (see Question 20 “*How do you buy and sell EUA Linked Securities?*” and Question 21 “*Can you request the buy-back of your EUA Linked Securities?*”).

5. *What is the EUA Entitlement per EUA Linked Security and how is it calculated?*

The EUA Entitlement per EUA Linked Security is an amount of EUAs attributable to each EUA Linked Security. The EUA Entitlement per EUA Linked Security is calculated by the Calculation Agent and reflects the number of Underlying EUAs you have exposure to in respect of your holding of EUA Linked Securities. As an example, on the Series Issue Date, as the Initial EUA Entitlement per EUA Linked Security is equal to one, you are entitled to one EUA per EUA Linked Security you hold.

On each calendar day following the Series Issue Date, the EUA Entitlement per EUA Linked Security is the EUA Entitlement per EUA Linked Security in respect of the immediately preceding calendar reduced by application of the Total Expense Ratio for one calendar day (see Question 7 “*What is*

the Total Expense Ratio and how is it calculated?”). See Worked Example 1 “*How is the Buy-Back Settlement Amount calculated?*” for a more detailed example of this. In order to satisfy the Total Expense Ratio, the EUA Disposal Agent will periodically liquidate a certain number of Underlying EUAs on our behalf.

6. *What is the Value per EUA Linked Security and how is it calculated?*

The Value per EUA Linked Security represents the cash value of an EUA Linked Security on any Valuation Day and is calculated by the Calculation Agent.

The Value per EUA Linked Security is calculated by multiplying the EUA Entitlement per EUA Linked Security in respect of the relevant Valuation Day by the EUA Reference Price (being the EEX EUA Spot rate).

7. *What is the Total Expense Ratio and how is it calculated?*

You will be charged a fee that accrues at a rate per annum equal to the Total Expense Ratio, which will be deducted in respect of the relevant Series of EUA Linked Securities every day by a reduction in the EUA Entitlement per EUA Linked Security (see Question 5 “*What is the EUA Entitlement per EUA Linked Security and how is it calculated?*”).

This fee will reflect the fees that we will pay to the Programme Administrator, the EUA Custodian and the EUA Disposal Agent in respect of each Series of EUA Linked Securities.

The Total Expense Ratio will be 0.75 per cent. per annum unless otherwise specified in the Final Terms.

The Programme Administrator can vary the Total Expense Ratio at any time. However, an increase in the Total Expense Ratio will only take effect if you are given at least 30 calendar days’ notice.

Both the Total Expense Ratio and any change to the Total Expense Ratio will be published on www.ubs.com/ETF (or such other website notified by us for the relevant Series of EUA Linked Securities from time to time).

8. *Are there any other costs charged to buy or sell the EUA Linked Securities?*

There may also be additional charges for you purchasing or selling EUA Linked Securities on the secondary market. Any additional charge relating to transaction costs (outside of charges imposed by an Authorised Participant) are disclosed in the relevant key information document issued in respect of each Series of EUA Linked Securities for retail investors located in the EEA, Switzerland or the UK (as applicable).

9. *Can the Scheduled Maturity Date be extended?*

Yes, provided that no Early Redemption Event or Event of Default has occurred or is subsisting, we may extend the Scheduled Maturity Date to a date falling no more than 50 calendar years after the then current Scheduled Maturity Date. Such extension is subject to the prior written consent of the Programme Administrator and notice will be given to the Transaction Parties and you of the same.

EUAs

10. *What are EUAs?*

An EUA is a type of allowance that permits its holder to emit a specific volume of carbon dioxide equivalent or other greenhouse gas. EUAs are issued under the framework of the emissions trading system of the EU, the EU ETS. Each year entities regulated by the EU ETS need to surrender

enough EUAs to cover their emissions in the previous year. The EUAs need to be held in an EUA registry account in the Union Registry (see Question 12 “*How are the EUAs held?*”).

11. *Where can I find the price of an EUA?*

EUAs are traded spot on the EEX exchange and in auctions in the Member States. The price of EUAs is available on the website of the EEX (<https://www.eex.com/en/market-data/environmentals/spot>). The price of EUAs can go down as well as up and the performance of EUAs in any future period may not mirror its past performance.

12. *How are the EUAs held?*

The EUAs are not held directly by us. We do not have an EUA registry account. Instead, the EUAs for a particular Series of EUA Linked Securities are held on our behalf by the EUA Custodian in an account in the name of the EUA Custodian in the Luxembourg section of the Union Registry. Such EUA custody account will not be used to hold EUAs in respect of any other Series of EUA Linked Securities that may have been or may be issued.

13. *In what circumstances can the EUAs be transferred out of the EUA Custody Account?*

EUAs held in the EUA Custody Account (see Question 12 “*How are the EUAs held?*”) can only be transferred out of the EUA Custody Account: (i) to be liquidated to allow us to pay (A) the Final Redemption Amount which will become due and payable on the Scheduled Maturity Date, (B) the Early Redemption Amount when the EUA Linked Securities are redeemed early following the occurrence of an Early Redemption Event or an Event of Default (see Question 16 “*What is the Early Redemption Amount?*”), or (C) the daily accrued Total Expense Ratio fee (see Question 7 “*What is the Total Expense Ratio and how is it calculated?*”), or (ii) to be delivered to an Authorised Participant or Non-Authorised Participant Securityholder (as applicable) in accordance with Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*) or Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*) following a buy-back (see Question 21 “*Can you request the buy-back of your EUA Linked Securities?*”).

Early Redemption of the EUA Linked Securities

14. *What will trigger an early redemption of the EUA Linked Securities?*

The EUA Linked Securities (or, in the case of paragraph (xiv) below, the affected portion of them) will be redeemed early following the occurrence of an Early Redemption Event or an Event of Default (see Question 15 “*What happens if we default under our obligations?*”).

The Early Redemption Events are set out in Condition 9(b) (*Early Redemption Events*) and may occur if:

- (i) certain legal or regulatory changes occur in relation to us,
- (ii) an Agent or all of the Authorised Participants resign, or their appointment is terminated and we fail to replace them within 60 calendar days,
- (iii) we will, or there is a substantial likelihood that we will, be required to make a payment in respect of VAT or be required to account for any other Taxes (excluding VAT) in respect of a delivery of EUAs for a subscription or buy-back (where such VAT is irrecoverable for us or whether or not such other Taxes (excluding VAT) are recoverable for us),
- (iv) the Specified Currency ceases to exist as a lawful currency,
- (v) one per cent. or more of the total number of Underlying EUAs are stolen from the EUA Custody Account,

- (vi) a bankruptcy event occurs in respect of the EUA Custodian and no successor or replacement is appointed within 60 calendar days,
- (vii) certain changes are adopted or proposed in respect of EUAs which result in it being unlawful for us, the EUA Custodian or the EUA Disposal Agent to hold, receive or deliver EUAs or to comply with any other material provision of any agreement entered into in connection with the Underlying EUAs,
- (viii) there is an announcement, change in law or regulation or confirmation by the European Council or Commission and the EUAs held in the EUA Custody Account in respect of a Series of EUA Linked Securities that were issued in a previous Compliance Phase cease to be eligible for compliance with obligations under the current Compliance Phase or will not be eligible for compliance with obligations under a future Compliance Phase,
- (ix) the Scheme is to be discontinued,
- (x) the EUA Custody Account is closed (or required to be closed) or the Registry Agreement is terminated and a replacement or successor account or agreement (as applicable) has not yet been opened or entered into,
- (xi) we give you notice that we have elected to redeem the EUA Linked Securities,
- (xii) there is a materially increased cost for the Programme Administrator, the Calculation Agent, the EUA Custodian or the EUA Disposal Agent in respect of the Programme or the EUA Linked Securities,
- (xiii) certain events occur in relation to a Reference Rate and the Calculation Agent is unable to identify a replacement Reference Rate;
- (xiv) we, or the Programme Administrator, become aware that any EUA Linked Securities of a Series are sold or otherwise transferred to any person in breach of the selling restrictions set out in the section of this Base Prospectus titled "*Subscription and Sale*"; or
- (xv) the Value per EUA Linked Security is less than or equal to 20 per cent. of the Issue Price per EUA Linked Security on the Series Issue Date for three consecutive Valuation Days.

If we fail to pay you the relevant Early Redemption Amount by the 14th calendar day following the Early Redemption Date, the Security over the Mortgaged Property in respect of such Series will become enforceable (see Question 17 "*What Security do you have?*").

15. *What happens if we default under our obligations?*

An Event of Default will occur if we (i) fail to make a payment of any sum or deliver any EUA(s) under the EUA Linked Securities for 14 calendar days (for example, of the Early Redemption Amount as described in Question 14 "*What will trigger an early redemption of the EUA Linked Securities?*"), (ii) fail to perform our other obligations and do not resolve this within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default has been given to us by the Trustee or (iii) are insolvent and, following such default, the relevant EUA Linked Securities will redeem early at the Early Redemption Amount (see Question 14 "*What will trigger an early redemption of the EUA Linked Securities?*").

If an Event of Default occurs, pursuant to Condition 14 (*Events of Default*), the Trustee may send us an Event of Default Redemption Notice that the EUA Linked Securities shall become due and payable at their Early Redemption Amount on the Early Redemption Date following which the Trustee may deliver an Enforcement Notice and the Security over the Mortgaged Property shall become enforceable by the Trustee without the need for the EUA Disposal Agent to liquidate the underlying EUAs.

16. *What is the Early Redemption Amount?*

Following an Early Redemption Event or an Event of Default, each EUA Linked Security will become due and payable by us at its Early Redemption Amount on the Early Redemption Date. Prior to the issue of an Enforcement Notice, the Underlying EUAs will be liquidated by the EUA Disposal Agent to allow us to pay such Early Redemption Amount to you.

The Early Redemption Amount is determined by the Calculation Agent by reference to the Average EUA Sale Price of the Underlying EUAs held in respect of the Series of EUA Linked Securities sold during the Early Redemption Disposal Period by the EUA Disposal Agent, net of (i) associated fees, deductions and taxes and (ii) if the amount of interest that has accrued on the proceeds of such sale which have been deposited into the Cash Account is negative, such amount. We will publish the determination of the Early Redemption Amount on or prior to the Early Redemption Date on the following website: www.ubs.com/ETF.

17. *What Security do you have?*

The EUA Linked Securities are secured obligations. This means we grant security to you and the other secured creditors in respect of a Series of EUA Linked Securities.

Under English law, we grant (i) a charge over (A) all sums and property held or received by the EUA Disposal Agent relating to the sale of Underlying EUAs relating to the relevant Series of EUA Linked Securities and (B) all sums held by the Issuing and Paying Agent to meet payments due in respect of any Secured Obligation relating to the relevant Series of EUA Linked Securities together with (ii) an assignment by way of security of our rights under the Agency Agreement, the Programme Administrator Agreement and any Authorised Participant Agreement, each to the extent that they relate to the EUA Linked Securities.

Under Luxembourg law, we grant a first ranking pledge of (i) our present and future claims, rights, title, interest and benefit (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) against the EUA Custodian under the EUA Custody Agreement, (ii) all present and future assets, rights, claims and distributions (including all income, payments, interest, proceeds, revenues, title, benefits, products, property, sum received, receivable or otherwise distributed) held in or in connection with any financial instruments accounts opened by the Issuer with the EUA Custodian in respect of the relevant Series of EUA Linked Securities including, for the avoidance of doubt, securities (including any securities and similar instruments (a) credited, by way of book entry (*inscription en compte*), or as otherwise deposited or held, in each case without specification of numbers or other individual identification elements, on a fungible basis or (b) otherwise registered and/or referenced and/or referred to in the account or the EUA Custodian's books and/or held in any other manner by the EUA Custodian for the account of the Issuer on a contractual basis or otherwise (including as a nominee)), cash and other rights and the property held therein or credited thereto; and (iii) all our present and future amounts, rights and claims (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) held in, or in connection to, the Cash Account under the Account Bank Agreement, each to the extent that they relate to the EUA Linked Securities.

This security is held by the Trustee on behalf of you and the other secured creditors in respect of a Series of EUA Linked Securities. If we fail to meet our obligations under the EUA Linked Securities, you and the other secured creditors will have recourse to these assets, and your recourse will be in accordance with a prescribed list of priorities and therefore subject to the claims of those who have priority over your claim.

18. *Why are the EUA Linked Securities limited recourse obligations?*

Your rights against us as an investor in a Series of EUA Linked Securities are limited to the Mortgaged Property in connection with such Series. This means that you do not have any rights in respect of the Mortgaged Property relating to any other Series of EUA Linked Securities.

By way of example, if, upon an early redemption of the EUA Linked Securities, we are required to realise the Mortgaged Property to enable us to make the early redemption payments on such EUA Linked Securities to you and other investors, the amount which you will receive on early redemption will be determined by the amounts we receive from such sale and/or termination. You may not receive in full the Early Redemption Amount payable in respect of an EUA Linked Security and you will not be able to make a claim against us or any other party for the shortfall.

Operational points

19. *Who is the “holder” of the EUA Linked Securities?*

If the EUA Linked Securities are held through a Clearing System (which will be the case unless there is an issue with the Clearing System which results in the EUA Linked Securities being held in definitive form), the legal “holder” will be the person entered in the register as the Securityholder. As an investor, your rights in relation to the EUA Linked Securities will be governed by the contract you have with your broker, custodian or other entity through which you hold your interest in the EUA Linked Securities and the contracts they have with the Clearing System and any intermediaries in between. Accordingly, where this Base Prospectus describes a right as being owed to, or exercisable by, a Securityholder then your ability to benefit from or exercise such right will be dependent on the terms of the contracts in such chain.

20. *How do you buy and sell EUA Linked Securities?*

You cannot buy the EUA Linked Securities directly from us. You can buy EUA Linked Securities from Authorised Participants who have purchased EUA Linked Securities directly from us acting as market-makers (see Question 25 “*Who are the Authorised Participants and what do they do?*”) or other securityholders.

You can sell your EUA Linked Securities to Authorised Participants (who can then request a buy-back from us) or to other investors in the secondary market on any of the stock exchanges on which they are admitted to trading or in a private transaction in the same way as you would sell other listed securities. Subject to certain criteria being met, which may result in potential costs and delays, you can also sell your EUA Linked Securities to us (see Question 21 “*Can you request the buy-back of your EUA Linked Securities?*”).

The price at which you buy or sell the EUA Linked Securities will be as agreed between you and the Authorised Participant, the other securityholder or investor (as applicable) which may be an amount which is more than, equal to, or less than the Value per EUA Linked Security in respect of the relevant transaction date.

You may be charged additional costs by other parties (e.g. brokerage fees) in respect of the sale or purchase of the EUA Linked Securities.

21. *Can you request the buy-back of your EUA Linked Securities?*

You, as a Non-Authorised Participant Securityholder, may sell your EUA Linked Securities to us by delivering to us and the Calculation Agent a valid Non-AP Buy-Back Order. Once you have delivered the Non-AP Buy-Back Order, it is irrevocable, unless otherwise agreed by us (or the Calculation Agent on our behalf).

The validity of the Non-AP Buy-Back Order will depend on the satisfaction of the conditions set out in Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*), which include the provision of evidence of the legal and beneficial ownership of the relevant EUA Linked Securities, the payment of Buy-Back Costs and the specification of a Holding Account to which the Underlying EUAs can be transferred to. The Calculation Agent has the sole discretion to determine whether the conditions listed in Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*) have been satisfied.

If we accept the Non-AP Buy-Back Order, we will buy back the relevant EUA Linked Securities and will deliver to you a number of EUAs equal to the Buy-Back Settlement Amount in accordance with Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*). We (or the Calculation Agent on our behalf) will notify you of the account into which the EUA Linked Securities should be settled, the cut-off time for such settlement and the date we will deliver the Underlying EUAs to your Holding Account.

Role of the parties

22. *Who is the Issuer?*

We are HARP Issuer PLC, a special purpose vehicle incorporated as a public limited company under the laws of Ireland.

23. *What is the business of the Issuer?*

Our principal business is to issue secured limited recourse securities, including the EUA Linked Securities, from time to time and to enter into transactions related to the issuance of those securities, to the extent permitted by the relevant terms and conditions and all applicable laws and regulations.

24. *Who is the Trustee and what does it do?*

The Trustee in respect of each Series of EUA Linked Securities is BNY Mellon Corporate Trustee Services Limited. The Trustee is an independent entity whose role is to act as trustee on your behalf and to act as security trustee on behalf of you and the other Transaction Parties in accordance with the Trust Deed (holding the benefit of the Security granted by us over certain of our assets in respect of a Series of EUA Linked Securities on trust for you and the other Transaction Parties in respect of that Series).

25. *Who are the Authorised Participants and what do they do?*

Authorised Participants are financial institutions who will enter into an Authorised Participant Agreement with us and will act as an intermediary between you and us.

The Authorised Participants are the entities that buy and sell EUA Linked Securities directly from and to us. The relevant Authorised Participant will deliver to the EUA Custody Account (on a subscription for EUA Linked Securities) or receive from the EUA Custody Account (on a buy-back of EUA Linked Securities) a number of EUAs equal to the Subscription Settlement Amount or the Buy-Back Settlement Amount (as applicable) in accordance with Condition 8(a) (*Further Issues*) or Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*) and/or the relevant Authorised Participant Agreement. Although only the Authorised Participants can buy EUA Linked Securities directly from us, you, as a Non-Authorised Participant Securityholder, can sell your EUA Linked Securities directly to us by requesting a buy-back (see Question 21 "*Can you request the buy-back of your EUA Linked Securities?*").

Authorised Participants may also act as market makers, i.e., they may buy and sell EUA Linked Securities from and to investors using their ordinary brokerage accounts on an over-the-counter basis or via a stock exchange without the investor having to physically hold the EUAs.

At the date of this Base Prospectus, the Authorised Participant in respect of a Series of EUA Linked Securities is FLOW TRADERS B.V., which has its registered office at Jacob Bontiusplaats 9, 1018 LL, Amsterdam, The Netherlands. The identity of the Authorised Participant(s) will be updated from time to time at www.ubs.com/ETF (or such other website as may be notified to you).

26. *Who is the EUA Disposal Agent and what does it do?*

The EUA Disposal Agent in respect of each Series of EUA Linked Securities is UBS Asset Management (UK) Limited. The EUA Disposal Agent's role is to sell the Underlying EUAs (i) in connection with the redemption of the relevant EUA Linked Securities at final maturity or on an early redemption (as applicable) or (ii) on an ongoing basis to enable us to pay the applicable portion of the accrued Total Expense Ratio to the Programme Administrator, the EUA Custodian and the EUA Disposal Agent respectively (see Question 7 "What is the Total Expense Ratio and how is it calculated?").

27. *Who is the EUA Custodian and what does it do?*

The EUA Custodian in respect of each Series of EUA Linked Securities is UBS Europe SE, Luxembourg branch. The EUA Custodian's role is to hold the Underlying EUAs for a Series of EUA Linked Securities in its account in the Luxembourg section of the Union Registry as our custodian (see Question 12 "How are the EUAs held?").

28. *Who is the Calculation Agent and what does it do?*

The Calculation Agent in respect of each Series of EUA Linked Securities is UBS Europe SE, Luxembourg branch. The Calculation Agent's role is to calculate the EUA Entitlement per EUA Linked Security and the Value per EUA Linked Security and to perform certain administrative tasks for us with respect to the EUA Linked Securities including the provision of any notices, consents, authorisations, certifications or instructions relating to the determination and/or calculation of certain amounts, prices, rates or values in respect of the relevant Series of EUA Linked Securities.

Investment considerations

29. *What should you read before investing?*

You should carefully read and understand this Base Prospectus, the relevant Constituting Instrument and the Final Terms prior to investing in the EUA Linked Securities. Any decision to invest in the EUA Linked Securities should be based on a consideration of this Base Prospectus as a whole (as supplemented from time to time) including the documents incorporated by reference (if any) and the relevant Constituting Instrument.

This Base Prospectus contains information about us, the terms and conditions of the EUA Linked Securities and general information about the offer and issue of the EUA Linked Securities.

The relevant Final Terms complete the Conditions and contain the specific issue terms of the EUA Linked Securities together with information about how investors can purchase them and other product specific information.

30. *Can you lose more than, or all of, your investment?*

While you can experience a decrease in the value of your investment and/or lose all your investment due to a poor performance of EUAs causing a decrease in the price of the Underlying EUAs, you cannot lose more than your initial investment.

WORKED EXAMPLES

The worked examples below are included for illustrative purposes only and should not be relied upon. They are not an indication of the likely performance of, or amounts payable in respect of, the EUA Linked Securities. The fee levels for any particular Series of EUA Linked Securities may differ from the fee levels used in a worked example. Prospective investors should conduct their own independent review and obtain such professional advice as they deem appropriate prior to any investment in the EUA Linked Securities.

1 **How is the Buy-Back Settlement Amount calculated?**

- If there is a buy-back of EUA Linked Securities (meaning that such EUA Linked Securities are redeemed), the relevant Authorised Participant or Non-Authorised Participant Securityholder requesting the buy-back will receive a number of EUAs equal to the Buy-Back Settlement Amount from the Issuer in accordance with Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*) or Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*).
- The Buy-Back Settlement Amount will be the number of Underlying EUAs determined by the Calculation Agent as being equal to the product of the EUA Entitlement per EUA Linked Security (calculated to nine decimal places, and subject to a floor of zero) in respect of the relevant Buy-Back Trade Date and the aggregate number of EUA Linked Securities to be purchased pursuant to the relevant Buy-Back Order, such total rounded down to the nearest whole number.
- A new Series of EUA Linked Securities is issued on a Series Issue Date with an Initial EUA Entitlement per EUA Linked Security of one. This means that at the Series Issue Date any Buy-Back Settlement Amount would be equal to one EUA per EUA Linked Security being purchased.
- On each calendar day following the Series Issue Date, the Calculation Agent will determine the EUA Entitlement per EUA Linked Security by taking the EUA Entitlement per EUA Linked Security in respect of the immediately preceding calendar day and reducing such number by application of the Total Expense Ratio for one calendar day.
- The Total Expense Ratio accrues on a daily basis and is used to pay the fees of the Programme Administrator, the EUA Custodian and the EUA Disposal Agent relating to such Series.
- So, by way of example, assuming that:
 - (i) an Authorised Participant requests a buy-back of 100 EUA Linked Securities on the calendar day falling one year after the Series Issue Date; and
 - (ii) the Total Expense Ratio is a rate per annum of 0.75 per cent. and the number of calendar days from (but excluding) the Series Issue Date to (and including) the date on which the Authorised Participant requests a buy-back is 365 calendar days,

the Buy-Back Settlement Amount for the purpose of Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*) will be determined as follows:

- (i) **0.99250000200, being the EUA Entitlement per EUA Linked Security** (determined by reducing the EUA Entitlement per EUA Linked Security on the Series Issue Date (i.e. one) by the Total Expense Ratio for 365 calendar days as described in Condition 5(b) (*EUA Entitlement per EUA Linked Security*) and applying the rounding convention described in Condition 12(i) (*Rounding*)); multiplied by
- (ii) **100, being the aggregate number of EUA linked Securities to be purchased by the Authorised Participant,**

which gives an amount of 99.2500002. This is then rounded down to the nearest whole number, meaning that the relevant Authorised Participant will receive 99 EUAs in respect of its buy-back.

2 What is the Value per EUA Linked Security?

- The Calculation Agent will determine the Value per EUA Linked Security by multiplying (i) the EUA Entitlement per EUA Linked Security in respect of the relevant Valuation Day by (ii) the EUA Reference Price on such Valuation Day.
- The EUA Reference Price is determined by the Calculation Agent by reference to the EEX EUA Spot rate.
- So, by way of example, assuming that on the relevant Valuation Day:
 - (1) the EUA Entitlement per EUA Linked Security is 0.999979375; and
 - (2) the EUA Reference Price is EUR 55,
 the Value per EUA Linked Security will be 54.998865625.

3 How might the Value per EUA Linked Security fluctuate?

As the Value per EUA Linked Security is directly linked to the value of EUAs (as determined by reference to the EEX EUA Spot rate – see Worked Example 2 “What is the Value per EUA Linked Security?” above), the Value per EUA Linked Security will increase or decrease depending on the value of the Underlying EUAs.

The table below sets out some possible outcomes of an investment in EUA Linked Securities, assuming a Total Expense Ratio of 0.75 per cent. per annum.

	Series Issue Date	After 365 days		
		No change in EUA Reference Price	EUA Reference Price increases by 5 per cent.	EUA Reference Price decreases by 5 per cent.
EUA Reference Price (EUR)	55.00	55.00	57.75	52.25
EUA Entitlement per EUA Linked Security	1.000000000	0.992500002	0.992500002	0.992500002
Value per EUA Linked Security (EUR)	55.00	54.59	57.32	51.86
EUAs deducted to satisfy the Total Expense Ratio	0.000000000	0.007499998	0.007499998	0.007499998
Total Gain/Loss per EUA Linked Security (EUR)	0.00	-0.41	2.32	-3.14
Total Return	0.00%	-0.75%	4.21%	-5.71%

MASTER TERMS AND CONDITIONS OF THE EUA LINKED SECURITIES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the EUA Linked Securities. As these terms and conditions apply separately to each Series of EUA Linked Securities, references in these terms and conditions to “EUA Linked Securities” are to the EUA Linked Securities of the relevant Series only and references to any defined term that applies in respect of each Series is to such defined term as it relates to such relevant Series (unless, in any such case, specified otherwise or unless the context otherwise requires).

Italicised wording contained in these Conditions is included as instructions, guidance or disclosure only and does not form part of the Conditions of the EUA Linked Securities.

A non-binding translation of the following text of the terms and conditions may be prepared in relation to each Series of EUA Linked Securities. The English language version of the terms and conditions shall be binding and prevail in all circumstances. Any such translations will not be reviewed and approved by the Central Bank, the FCA or any another similar body in any other jurisdiction.

Copies of the relevant Constituting Instrument, the Trust Deed, the Conditions, the Agency Agreement, the EUA Custody Agreement, the Account Bank Agreement and the Programme Administrator Agreement referred to in these terms and conditions are available for inspection during normal business hours at the specified office of the Issuer and the Issuing and Paying Agent and will be sent to a potential or current Securityholder on request to the Issuer or the Issuing and Paying Agent.

Securityholders (and any persons who claim through or under them) are bound by and are deemed to have notice of all the provisions of the Trust Deed and all the provisions of the other Transaction Documents which are applicable to them.

References in the Conditions to:

- (i) any time are expressed using the 24-hour-clock convention;
- (ii) a party shall be construed so as to include its successors or replacements;
- (iii) a document, agreement or instrument is to that document, agreement or instrument as amended, supplemented, novated or replaced from time to time;
- (iv) a provision of law is to that provision as amended or re-enacted from time to time; and
- (v) a party publishing any value, rate, level, notice or other information shall be deemed to include any agent, delegate or appointee of such party publishing such value, rate, level, notice or other information on behalf of that party.

1 Definitions

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

“Abandonment of Scheme Redemption Event” has the meaning given to it in Condition 9(b)(x) (*Abandonment of Scheme Redemption Event*).

“Abandonment of Scheme Redemption Event Notice” has the meaning given to it in Condition 9(b)(x) (*Abandonment of Scheme Redemption Event*).

“Account Bank” means UBS Europe SE, Luxembourg branch.

“Account Bank Agreement” means, in respect of a Series, the account bank agreement entered into by the Issuer, the Trustee and the Account Bank in the form of the Master Account Bank Terms (as amended and/or supplemented by the Constituting Instrument).

“Account Bank Bankruptcy Event” means the Account Bank becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, examiner, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof or, if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, examiner, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation.

“Adjustment Spread” has the meaning given to it in Condition 11(b)(ii) (*Replacement Reference Rate*).

“Administrator/Benchmark Event” means, in respect of a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Reference Rate has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the Issuer, the Calculation Agent, the Programme Administrator or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the EUA Linked Securities.

“Affected Securities” has the meaning given to it in Condition 9(b)(xv) or 9(b)(xvi) (*Early Redemption Events*), as applicable.

“Affiliate” means, in relation to any person or entity, any other person or entity controlled, directly or indirectly, by the person or entity, any other person or entity that controls, directly or indirectly, the person or entity or any other person or entity directly or indirectly under common control with the person or entity. For these purposes, **“control”** of any entity or person means the power, directly or indirectly, either to (a) vote 10 per cent. or more of the securities having ordinary voting power for the election of directors of the relevant person or entity or (b) direct or cause the direction of the management and policies of such person or entity whether by contract or otherwise.

“Agency Agreement” means, in respect of a Series, the agency agreement entered into by the Issuer, the Trustee and any other parties thereto in the form of the Master Agency Terms (as amended and/or supplemented by the Constituting Instrument).

“Agents” means the Programme Administrator, the Calculation Agent, the Issuing and Paying Agent, the EUA Custodian, the EUA Disposal Agent, the Account Bank, the Transfer Agent, the Registrar and such other agent(s) as may be appointed from time to time in relation to the EUA Linked Securities and **“Agent”** means any of them.

“Aggregate EUAs Sold” means the sum of (i) the aggregate number of Underlying EUAs sold by the EUA Disposal Agent during the Redemption Disposal Period and (ii) the aggregate number of Underlying EUAs which remain stolen if a Theft Redemption Event has occurred.

“AP Buy-Back Order” means a request from an Authorised Participant that the Issuer buy back a specified number of EUA Linked Securities delivered in accordance with the relevant Authorised Participant Agreement.

“**Appointee**” means any custodian, agent, delegate or nominee appointed or engaged by the Trustee under the Trust Deed.

“**Authorised Participant**” means each Authorised Participant appointed by or on behalf of the Issuer in relation to a Series.

“**Authorised Participant Agreement**” means, in respect of a Series, each authorised participant agreement entered into between the Issuer, the Calculation Agent and an Authorised Participant.

“**Average EUA Sale Price**” means a price denominated in the Specified Currency determined by the Calculation Agent as being equal to the:

- (i) Net Sale Proceeds; divided by
- (ii) Aggregate EUAs Sold.

“**Business Day**” means any Weekday on which commercial banks and foreign exchange markets settle payments and are open for general business in Luxembourg.

“**Buy-Back Costs**” means an amount equal to the cost to the Issuer of complying with the relevant Non-AP Buy-Back Order, as determined by the Programme Administrator and notified to the relevant Non-Authorised Participant Securityholder.

“**Buy-Back Order**” means either an AP Buy-Back Order or a Non-AP Buy-Back Order, as the context requires.

“**Buy-Back Payment Amount**” means, in respect of a Buy-Back Order, an amount in the Specified Currency equal to the product of (i) the Value per EUA Linked Security as of the relevant Buy-Back Trade Date and (ii) the number of EUA Linked Securities to be bought back pursuant to such Buy-Back Order.

“**Buy-Back Settlement Amount**” means, in respect of a Buy-Back Order, the number of Underlying EUAs determined by the Calculation Agent as being equal to the product of the EUA Entitlement per EUA Linked Security in respect of the relevant Buy-Back Trade Date and the aggregate number of EUA Linked Securities to be purchased pursuant to the relevant Buy-Back Order (subject to rounding in accordance with Condition 12(i) (*Rounding*)).

“**Buy-Back Settlement Date**” means, in respect of a Buy-Back Order, such date after the Buy-Back Trade Date as agreed between the Issuer (or the Calculation Agent on its behalf) and the relevant Authorised Participant.

“**Buy-Back Trade Date**” means, subject to Condition 10(b) (*Suspension of Subscriptions/Buy-Backs*), an Eligible Order Day on which a Buy-Back Order is determined to be valid and accepted by or on behalf of the Issuer in accordance with the terms of the relevant Authorised Participant Agreement or, if the relevant Buy-Back Order has been delivered by a Non-Authorised Participant Securityholder, Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*).

“**Calculation Agent**” means UBS Europe SE, Luxembourg branch.

“**Calculation Agent Bankruptcy Event**” means the Calculation Agent becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, examiner, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof or, if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, examiner, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy

or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation.

“**Cash Account**” means, in respect of a Series, the segregated cash account located in Luxembourg in the name of the Issuer and maintained by the Account Bank in relation to that Series of EUA Linked Securities.

“**Central Administrator**” means the person designated by the EU Commission to operate and maintain the EUTL pursuant to Article 20(1) of the EU ETS Directive.

“**Central Bank**” means the Central Bank of Ireland.

“**Change in Law or Regulation Redemption Event**” has the meaning given to it in Condition 9(b)(i) (*Early Redemption Events*).

“**Change in Law or Regulation Redemption Notice**” has the meaning given to it in Condition 9(b)(i) (*Early Redemption Events*).

“**Clearing System**” means (i) Euroclear, (ii) Clearstream, Luxembourg or (iii) any other recognised clearing system in which EUA Linked Securities of a Series may be cleared.

“**Clearstream, Luxembourg**” means Clearstream Banking, société anonyme, Luxembourg and any successor thereto.

“**Code**” has the meaning given to it in Condition 12(c) (*Payments and Deliveries Subject to Fiscal Laws*).

“**Compliance Phase**” means a trading period of the EU ETS.

“**Compliance Phase Ineligibility Redemption Event**” has the meaning given to it in Condition 9(b)(ix) (*Early Redemption Events*).

“**Compliance Phase Ineligibility Redemption Event Notice**” has the meaning given to it in Condition 9(b)(ix) (*Early Redemption Events*).

“**Conditions**” means these terms and conditions, as completed by Part A of the relevant Final Terms relating to the relevant Series of EUA Linked Securities, as set out in the Constituting Instrument in respect of the first Tranche of such Series and the provisions of any Registered Global Certificate.

“**Consolidation Redemption Event**” has the meaning given to it in Condition 9(b)(xvi) (*Early Redemption Events*).

“**Consolidation Redemption Event Notice**” has the meaning given to it in Condition 9(b)(xvi) (*Early Redemption Events*).

“**Constituting Instrument**” means, in respect of a Series, the Constituting Instrument entered into between the Issuer, the Trustee and the other parties specified therein and which constitutes such Series and which will be entered into at the time of the first Tranche of EUA Linked Securities for that Series and which will apply, without further action and without the need for re-execution or execution of a new Constituting Instrument, to any further Tranches of that Series. Any document which amends, supplements or replaces a Transaction Document originally constituted by the Constituting Instrument shall itself be considered to be part of the Constituting Instrument as between the parties to such document.

“**Constitution**” means the Issuer’s memorandum of association and articles of association.

“**Corporate Services Provider**” means, with respect to the Issuer, Apex Corporate Services (Ireland) Limited, whose registered office is at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin D01 P767, Ireland, and any successor or replacement thereto.

“De Minimis Theft Event” means the Programme Administrator becomes aware that Underlying EUAs representing less than one per cent. of the total number of Underlying EUAs have been stolen from the EUA Custody Account.

“Definitive Registered Securities Certificate” means a registered certificate (save in the case of a Registered Global Certificate) representing one or more EUA Linked Securities of the same Series and, save as provided in the Conditions, comprising the entire holding by a Securityholder of their EUA Linked Securities of that Series, and includes any replacement certificate issued pursuant to the Conditions.

“Disrupted Day” means a Scheduled Valuation Day that is not a Valuation Day.

“Early Redemption Amount” means an amount per EUA Linked Security in the Specified Currency determined by the Calculation Agent equal to the product of (i) the EUA Entitlement per EUA Linked Security as at the Early Redemption Commencement Date and (ii) the Average EUA Sale Price, plus the Specified Interest Amount.

“Early Redemption Commencement Date” means, subject to Condition 10(c) (*Postponement of Early Redemption Commencement Date and Early Redemption Date or Final Redemption Commencement Date and Scheduled Maturity Date*):

- (i) in relation to an Early Redemption Event, the date of the occurrence of such Early Redemption Event as specified in Condition 9(b) (*Early Redemption Events*); and
- (ii) in relation to an Event of Default, the date of the Event of Default Redemption Notice from the Trustee given to the Issuer pursuant to Condition 14 (*Events of Default*);

or if such day is not a Business Day, the next following Business Day.

“Early Redemption Date” means, subject to postponement in accordance with Condition 10(c) (*Postponement of Early Redemption Commencement Date and Early Redemption Date or Final Redemption Commencement Date and Scheduled Maturity Date*), the earlier of (i) the third Business Day following the date on which the EUA Disposal Agent confirms the liquidation of all the Underlying EUAs by way of notice to the Issuer and the Trustee (copied to all Transaction Parties) and (ii) the third Business Day following the final day of the Early Redemption Disposal Period.

“Early Redemption Disposal Period” means, subject to postponement in accordance with Condition 9(e) (*Extension of Redemption Disposal Period following EUA Disruption Event*), the period of 10 Business Days from (but excluding) the Early Redemption Commencement Date.

“Early Redemption Event” has the meaning given to it in Condition 9(b) (*Early Redemption Events*).

“EEX” means European Energy Exchange AG.

“Eligible Order Day” means an EUA Business Day on which commercial banks and foreign exchange markets settle payments and are open for general business in London.

“English Law Security” has the meaning given to it Condition 6(a)(i)(D)(II) (*Security*).

“EU” means the European Union.

“EU ETS” means the European Union Emissions Trading System.

“EU ETS Directive” means Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC.

“EUA” means an “allowance” (as defined in Article 3(a) of the EU ETS Directive) issued, allocated, created and recognised in accordance with the rules and regulations of the EU ETS which represents an entitlement to emit a specific volume of carbon dioxide equivalent or other greenhouse gas.

“EUA Administrator Event” means the suspension of some or all of the processes of the Registry, the EUTL or, if applicable, the LSTL in accordance with the Registries Regulation by a National Administrator or the Central Administrator (as applicable) (i) where the Registry is not operated and maintained in accordance with the provisions of the Registries Regulation, or any other applicable law, or (ii) for the purpose of carrying out scheduled or emergency maintenance, or (iii) where there has been or following reasonable suspicion of, a breach of security which threatens the integrity of the registries system (including any back up facilities), or (iv) where the mutual recognition of EUAs under a relevant Linking Agreement has been suspended in accordance with the terms of such Linking Agreement.

“EUA Business Day” means any Weekday on which the EUA Reference Price is scheduled to be published and the Calculation Agent is open for business.

“EUA Custodian” means UBS Europe SE, Luxembourg branch.

“EUA Custodian Bankruptcy/Breach Event” means the EUA Custodian either (i) becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation or (ii) commits any material breach of the relevant EUA Custody Agreement and does not remedy such breach to the satisfaction of the Issuer (if capable of remedy) within 30 calendar days of receiving written notice from the Issuer requiring the same to be remedied.

“EUA Custodian Redemption Event” has the meaning given to it in Condition 9(b)(vii) (*Early Redemption Events*).

“EUA Custodian Redemption Event Notice” has the meaning given to it in Condition 9(b)(vii) (*Early Redemption Events*).

“EUA Custody Account” means, in respect of a Series, the segregated EUA account opened in the name of the EUA Custodian in the Luxembourg section of the Union Registry to hold the Underlying EUAs.

“EUA Custody Accounts Closure Event” means the EUA Custody Account is closed (or required to be closed) or the Registry Agreement is terminated and a replacement or successor account or agreement (as applicable) has not yet been opened or entered into, for such time until a replacement or successor has been opened or entered into, or an EUA Custody Accounts Closure Redemption Event Notice has been given.

“EUA Custody Accounts Closure Redemption Event Notice” has the meaning given to it in Condition 9(b)(xi) (*Early Redemption Events*).

“EUA Custody Agreement” means, in respect of a Series, the EUA custody agreement entered into by the Issuer, the Trustee and the EUA Custodian in the form of the Master EUA Custody Terms (as amended and/or supplemented by the Constituting Instrument).

“EUA Disposal Agent” means UBS Asset Management (UK) Limited.

“EUA Disposal Agent Bankruptcy Event” means the EUA Disposal Agent becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or

composition with or for the benefit of its creditors, consents to the appointment of a receiver, examiner, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof or, if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, examiner, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation.

“EUA Disruption Event” means:

- (i) an EUA Suspension Event;
- (ii) an EUA Failure to Deliver;
- (iii) an EUA Failure to Comply; or
- (iv) an EUA Custody Accounts Closure Event.

“EUA Entitlement per EUA Linked Security” has the meaning given to it in Condition 5(b) (*EUA Entitlement per EUA Linked Security*).

“EUA Failure to Comply” means the Issuer (or the EUA Disposal Agent on its behalf) fails to deliver some or all of the Underlying EUAs to be delivered under and in accordance with the Conditions and/or the Transaction Documents as a result of the failure of the receiving party to comply with the Requirements under the Scheme and such failure is other than as a result of an EUA Suspension Event.

“EUA Failure to Deliver” means the Issuer (or the EUA Disposal Agent on its behalf) fails to deliver some or all of the Underlying EUAs to be delivered under and in accordance with the Conditions and/or the Transaction Documents and such failure occurs other than as a result of an EUA Failure to Comply or an EUA Suspension Event.

“EUA Linked Securities” means, in respect of a Series, each of the limited recourse securities of such Series issued pursuant to the Secured EUA Linked Issuance Programme of the Issuer.

“EUA Reference Price” means, in respect of an EUA Business Day, the price determined by the Calculation Agent by reference to the EUA Reference Price Source.

“EUA Reference Price Source” means EEX EUA Spot (which is provided by EEX or such successor or replacement who administers EEX EUA Spot, and published on <https://www.eex.com/en/market-data/environmentals/spot> from time to time).

“EUA Reference Price Source Disruption” has the meaning given to it in Condition 10(a)(i) (*Valuation Disruption Events*).

“EUA Regulatory Redemption Event” has the meaning given to it in Condition 9(b)(viii) (*Early Redemption Events*).

“EUA Regulatory Redemption Event Notice” has the meaning given to it in Condition 9(b)(viii) (*Early Redemption Events*).

“EUA Suspension Event” means a party is unable to perform its delivery or acceptance obligations under and in accordance with the Conditions and/or the Transaction Documents and the Scheme through the Registry as a result of (i) the absence of Registry Operation or (ii) the occurrence of an EUA Administrator Event.

“Euro Dissolution Redemption Event” has the meaning given to it in Condition 9(b)(v) (*Early Redemption Events*).

“Euro Dissolution Redemption Event Notice” has the meaning given to it in Condition 9(b)(v) (*Early Redemption Events*).

“Euroclear” means Euroclear Bank S.A./N.V. and any successor thereto.

“EUTL” means the independent transaction log provided for in Article 20(1) of the Directive, the operation of which is further detailed in Article 5 of the Registries Regulation.

“Event of Default” has the meaning given to it in Condition 14 (*Events of Default*).

“Event of Default Redemption Notice” has the meaning given to it in Condition 14 (*Events of Default*).

“Exchange Date” means a day falling not less than 60 calendar days (or such other time period as may be notified by the Issuer to the Securityholders from time to time) after the day on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the relevant Registrar is located.

“Extraordinary Resolution” means, in respect of a Series, a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast, provided that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the EUA Linked Securities who for the time being are entitled to receive notice of a meeting held in accordance with the Trust Deed shall, for all purposes, be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Securityholders duly convened and held in accordance with the relevant provisions of the Trust Deed.

“Final Redemption Amount” means an amount per EUA Linked Security in the Specified Currency, due and payable on the Scheduled Maturity Date, determined by the Calculation Agent equal to the product of (i) the EUA Entitlement per EUA Linked Security as at the Final Redemption Commencement Date and (ii) the Average EUA Sale Price, plus the Specified Interest Amount.

“Final Redemption Commencement Date” means, subject to Condition 10(c) (*Postponement of Early Redemption Commencement Date and Early Redemption Date or Final Redemption Commencement Date and Scheduled Maturity Date*), the Business Day falling 13 Business Days prior to the Scheduled Maturity Date.

“Final Redemption Disposal Period” means, subject to postponement in accordance with Condition 9(e) (*Extension of Redemption Disposal Period following EUA Disruption Event*), the period of 10 Business Days from (but excluding) the Final Redemption Commencement Date.

“Final Terms” means, in respect of a Series and a Tranche, the final terms issued specifying the relevant issue details of such Tranche of EUA Linked Securities for such Series, in the form set out in this Base Prospectus or such other form as may be agreed between the Issuer and the Programme Administrator.

“Force Majeure Disruption Event” has the meaning given to it in it in Condition 10(a) (*Valuation Disruption Events*).

“holder” has the meaning given to it in Condition 2(b) (*Title*).

“Holding Account” means a form of digital record maintained in a Registry (pursuant to and in accordance with the Registries Regulation) that is able to be used to record the allocation (if applicable), holding and transfer of EUAs pursuant to and in accordance with the Scheme.

“Initial EUA Entitlement per EUA Linked Security” means one.

“Investment” has the meaning given to it in Condition 7(i)(A) (*Restrictions*).

“Issuer” means HARP Issuer PLC, a public limited company incorporated under the laws of Ireland with registered number 661148.

“Issuer Call Notice” has the meaning given to it in Condition 9(b)(xii) (*Early Redemption Events*).

“Issue Date” means the issue date of the relevant Tranche of EUA Linked Securities, as specified in the relevant Final Terms.

“Issue Price per EUA Linked Security” means:

- (i) on the Series Issue Date of a Series, an amount equal to (A) the Initial EUA Entitlement per EUA Linked Security; multiplied by (B) the EUA Reference Price with respect to the Series Issue Date; and
- (ii) in relation to any subsequent Tranche of the EUA Linked Securities of that Series issued after the Series Issue Date, the Value per EUA Linked Security (as determined by the Calculation Agent and published on the website maintained on behalf of the Issuer at www.ubs.com/ETF (or such other website notified by the Issuer for such Series of EUA Linked Securities from time to time)) in respect of the Subscription Trade Date relating to such Tranche.

“Issuer Call Redemption Event” has the meaning given to it in Condition 9(b)(xii) (*Early Redemption Events*).

“Issuer Insolvency Event” means the Issuer:

- (i) save to the extent contemplated in the Trust Deed for the relevant Series, makes a general assignment, arrangement, scheme or composition with or for the benefit of the Securityholders, or such a general assignment, arrangement, scheme or composition becomes effective;
- (ii) institutes or has instituted against it, by a regulator, supervisor or any similar official with insolvency, rehabilitative or regulatory jurisdiction over it, a proceeding seeking a judgment of insolvency, examinership, bankruptcy or any other similar relief under any bankruptcy, examinership or insolvency law or other law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, general settlement with creditors, rescue process, reorganisation proceedings or similar proceedings affecting the rights of creditors generally by it or such regulator, process advisor, supervisor or similar official;
- (iii) has instituted against it, by a person or entity not described in paragraph (ii) above, a proceeding seeking a judgment of insolvency, examinership or bankruptcy, rescue process or any other similar relief under any bankruptcy, examinership or insolvency law or other law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition (A) results in a judgment of insolvency, examinership or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or (B) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof;
- (iv) has a resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution;
- (v) seeks or becomes subject to the appointment of an administrator, examiner, process advisor, provisional liquidator, conservator, receiver, trustee, custodian or other similar official or any application made or petition lodged or documents filed with the court or administrator in relation to the Issuer or the Programme (as appropriate) for it or for any assets on which the liabilities of the Issuer under the relevant EUA Linked Securities are secured pursuant to the Trust Deed for the relevant Series;
- (vi) other than the Trustee in circumstances where the Trustee is enforcing the Security pursuant to the Trust Deed for the relevant Series or any other Transaction Party in the performance of their respective roles, has a secured creditor other than a Secured Creditor take possession by way of enforcement of any assets on which the liabilities of the Issuer under the relevant EUA Linked

Securities are secured pursuant to the Trust Deed or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against any assets on which the liabilities of the Issuer under the relevant EUA Linked Securities are secured pursuant to the Trust Deed for that Series and such secured creditor maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter;

- (vii) is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or admits its inability to pay its debts as they fall due, except that, with respect to each Series, any failure by the Issuer to pay any principal or delivery of any asset when due under that same Series shall not constitute an Event of Default under Condition 14 (*Events of Default*) for the purposes of the relevant Series; or
- (viii) is subject to any procedure or any step is taken, or any event occurs, analogous to those set out in paragraphs (i) to (vi) above.

“Issuing and Paying Agent” means UBS Europe SE, Luxembourg branch.

“Issuing and Paying Agent Bankruptcy Event” means the Issuing and Paying Agent becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, examiner, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof or, if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, examiner, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation.

“Linking Agreement” means an agreement between the EU and a non-Member State on the linking of their greenhouse gas emissions trading systems as envisaged under Article 25 of the EU ETS Directive and which has entered into force in accordance with its terms, as amended from time to time.

“London Stock Exchange” means the London Stock Exchange plc.

“Loss” means any loss, liability, cost, claim, damages, expense (including, but not limited to, legal costs and expenses) or demand (or actions in respect thereof), judgment, interest on any judgment, assessment, fees or amounts paid in settlement of any action or claim.

“LSTL” means a transaction log of a non-Member State that is linked to the EUTL under the terms of a relevant Linking Agreement.

“Luxembourg Administrator” means the entity responsible for administering, on behalf of The Grand Duchy of Luxembourg, a set of user accounts under the jurisdiction of The Grand Duchy of Luxembourg in the Union Registry as designated in accordance with Article 7 of the Registries Regulation, being the Luxembourg Ministry of the Environment, Climate and Sustainable Development (*Ministère de l’Environnement, du Climat et du Développement durable*) as at the date of this Base Prospectus.

“Luxembourg Law Security” has the meaning given to it in Condition 6(a)(i)(B)(C) (*Security*).

“Master Account Bank Terms” means, in respect of a Series, the master account bank terms relating to the Programme and specified in the Constituting Instrument in relation to such Series.

“Master Agency Terms” means, in respect of a Series, the master agency terms relating to the Programme and specified in the Constituting Instrument in relation to such Series.

“Master EUA Custody Terms” means, in respect of a Series, the master EUA custody terms relating to the Programme and specified in the Constituting Instrument in relation to such Series.

“Master Programme Administrator Terms” means, in respect of a Series, the master programme administrator terms relating to the Programme and specified in the Constituting Instrument in relation to such Series.

“Master Terms and Conditions” means these master terms and conditions.

“Master Trust Terms” means, in respect of a Series, the master trust terms relating to the Programme and specified in the Constituting Instrument in relation to such Series.

“Materially Increased Costs Redemption Event” has the meaning given to it in Condition 9(b)(xiii) (*Early Redemption Events*).

“Materially Increased Costs Redemption Event Notice” has the meaning given to it in Condition 9(b)(xiii) (*Early Redemption Events*).

“Member State” means any one of the signatories of the EU from time to time.

“Mortgaged Property” means, in respect of a Series:

- (i) the Issuer’s present and future claims, rights, title, interest and benefit (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) against the EUA Custodian under the EUA Custody Agreement in relation to the EUA Custody Account in respect of such Series of EUA Linked Securities;
- (ii) all present and future assets, rights, claims and distributions (including all income, payments, interest, proceeds, revenues, title, benefits, products, property, sum received, receivable or otherwise distributed) held in or in connection with any financial instruments accounts opened by the Issuer with the EUA Custodian in respect of the relevant Series of EUA Linked Securities including, for the avoidance of doubt, securities (including any securities and similar instruments (a) credited, by way of book entry (*inscription en compte*), or as otherwise deposited or held, in each case without specification of numbers or other individual identification elements, on a fungible basis or (b) otherwise registered and/or referenced and/or referred to in the account or the EUA Custodian’s books and/or held in any other manner by the EUA Custodian for the account of the Issuer on a contractual basis or otherwise (including as a nominee)), cash and other rights and the property held therein or credited thereto;
- (iii) the Issuer’s present and future amounts, rights and claims (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) held in, or in connection to, the Cash Account under the Account Bank Agreement relating to such Series of EUA Linked Securities
- (iv) all of the Issuer’s rights, title, interest and benefit under English law present and future in, to and under the Agency Agreement, the Programme Administrator Agreement and any Authorised Participant Agreement, in each case, as such rights relate to such Series of EUA Linked Securities;
- (v) all sums and any other property held or received by the EUA Disposal Agent relating to the sale of Underlying EUAs in respect of such Series of EUA Linked Securities; and
- (vi) all sums held now or in the future by the Issuing and Paying Agent to meet payments due in respect of any Secured Obligation relating to such Series of EUA Linked Securities.

“National Administrator” means (i) the entity responsible for administering, on behalf of a Member State, a set of user accounts under the jurisdiction of a Member State in the Union Registry as designated in accordance with Article 7 of the Registries Regulation or (ii) the entity identified as an administrator in respect of an LSTL.

“Net Sale Proceeds” means an amount notified by the EUA Disposal Agent to the Issuer, the Calculation Agent, the Trustee, the EUA Custodian and the Programme Administrator in accordance with the Agency Agreement, which is denominated in the Specified Currency and equal to (i) the proceeds of the sale of Underlying EUAs in accordance with Condition 9(c) (*Liquidation of Underlying EUAs following an Early Redemption Commencement Date or Final Redemption Commencement Date*) less (ii) all amounts which the EUA Disposal Agent is entitled to deduct from the proceeds of sale in accordance with Condition 9(c) (*Liquidation of Underlying EUAs following an Early Redemption Commencement Date or Final Redemption Commencement Date*) less (iii) if the amount of interest that has accrued on the proceeds of realisation of the Underlying EUAs which have been deposited into the Cash Account during or relating to the Redemption Disposal Period is negative, such amount.

“Non-Authorised Participant Securityholder” means a Securityholder who is not an Authorised Participant.

“Non-AP Buy-Back Order” means a request from a Non-Authorised Participant Securityholder delivered to the Issuer and the Calculation Agent that the Issuer buy back a specified number of EUA Linked Securities.

“Obligor” means each person that has an obligation to the Issuer under the Mortgaged Property.

“Order” means a Subscription Order or a Buy-Back Order.

“outstanding” means, in relation to the EUA Linked Securities and a Valuation Day, (i) on the Series Issue Date, the EUA Linked Securities issued on such date, and (ii) on any Valuation Day thereafter, all the EUA Linked Securities issued on or prior to such Valuation Day except (a) those that have been redeemed in accordance with Condition 9 (*Redemption*); (b) those that have been cancelled for any reason; (c) those in respect of which the date for redemption has occurred and the redemption moneys have been duly paid to the Trustee or to the Issuing and Paying Agent and which remain available for payment against presentation and surrender of EUA Linked Securities; (d) those that have become void or in respect of which claims have become prescribed; (e) those which have been issued and which are pending settlement to an Authorised Participant but in respect of which either the settlement date for which has not yet been reached or the relevant Authorised Participant(s) has not delivered in full the relevant subscription amount; (f) those that have been delivered to or to the order of the Issuer for cancellation provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Securityholders, (2) the determination of how many EUA Linked Securities are outstanding for the purposes of the Conditions, the relevant Trust Deed and the EUA Custody Agreement and (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders, those EUA Linked Securities that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding. For the avoidance of doubt, EUA Linked Securities (if any) which the Issuer has agreed on or prior to such Valuation Day to issue but in respect of which either the settlement date has not been reached or delivery of the relevant subscription amount has not been received in full from the relevant Authorised Participant(s) and settlement to such relevant Authorised Participant(s) has not yet occurred shall not be deemed to be “outstanding” on such Valuation Day.

“Payment Business Day” means in relation to a payment, a day (other than a Saturday or Sunday) (i) that is a T2 Settlement Day and on which (ii) the Relevant Clearing System(s) is/are is open.

“Permitted Obligations” has the meaning given to it in Condition 7(i)(A) (*Restrictions*).

“Potential Event of Default” means an event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default.

“Price Source” means in respect of any Reference Rate, any screen or other source on which such Reference Rate is expected to be displayed or published, as such screen or source may be replaced or succeeded pursuant to these Conditions.

“Proceedings” has the meaning given to it in Condition 24(b) (*Jurisdiction*).

“Programme Administrator” means UBS AG, London branch.

“Programme Administrator Agreement” means, in respect of a Series, the programme administrator agreement entered into by the Issuer and the Programme Administrator in the form of the Master Programme Administrator Terms (as amended and/or supplemented by the Constituting Instrument).

“Programme Administrator Bankruptcy Event” means the Programme Administrator becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation.

“Redemption Disposal Period” means the Early Redemption Disposal Period or the Final Redemption Disposal Period, as applicable.

“Reference Rate” means, in respect of a Series, any index or benchmark by reference to which any amount payable under the EUA Linked Securities of that Series, or any formula, calculation or determination relating to the EUA Linked Securities of that Series, is determined, as the same may be replaced or succeeded pursuant to Condition 11 (*Successor Price Source, Replacement Price Source and related Amendments*).

“Reference Rate Cessation” means:

- (i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or
- (iii) the Calculation Agent otherwise determines that a Reference Rate has ceased to be published on a permanent or indefinite basis and there is no successor administrator that will continue to provide the Reference Rate.

“Reference Rate Event” means the occurrence of any of the following:

- (i) a Reference Rate Cessation;
- (ii) an Administrator/Benchmark Event; or

- (iii) there is an EUA Reference Price Source Disruption for more than five consecutive EUA Business Days.

“Reference Rate Redemption Event” has the meaning given to it in Condition 9(b)(xiv) (*Early Redemption Events*).

“Reference Rate Redemption Event Notice” has the meaning given to it in Condition 9(b)(xiv) (*Early Redemption Events*).

“Register” means, in respect of each Series of EUA Linked Securities, the register of Securityholders, which records the holders of all EUA Linked Securities of the relevant Series, and which is maintained by the Registrar(s) on behalf of the Issuer.

“Registered Global Certificate” means a registered certificate substantially in the form set out in Schedule 1 to the Trust Deed and representing EUA Linked Securities of one or more Tranches of the same Series.

“Registrar” means, in respect of a Series of EUA Linked Securities, the registrar that is appointed as a Registrar under the Agency Agreement. As at the date hereof, the Registrar is UBS Europe SE, Luxembourg branch.

“Registrar/Transfer Agent Bankruptcy Event” means the Registrar and/or the Transfer Agent becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, examiner, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof or, if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, examiner, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation.

“Registries Regulation” means the Commission Delegated Regulation (EU) 2019/1122 of 12 March 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council as regards the functioning of the Union Registry.

“Registry” means the registry established by the EU in order to ensure the accurate accounting of the issue, holding, transfer, acquisition, surrender, cancellation and replacement of EUAs, including the Union Registry and the Holding Accounts within the Union Registry that are under the jurisdiction of a single National Administrator designated by a Member State.

“Registry Agreement” means the agreement between the EUA Custodian and the Luxembourg Administrator governing the operation of the EUA Custody Account.

“Registry Operation” means, other than by reason of the occurrence of an EUA Administrator Event:

- (i) the establishment of and continuing functioning of the Registry;
- (ii) the establishment of and continuing functioning of the EUTL;
- (iii) the establishment of and continuing functioning of the link between the Registry and the EUTL; and/or
- (iv) the continued functioning of the link between each of the LSTL and the EUTL.

“Regulatory Requirement Amendments” has the meaning given to it in Condition 21 (*Regulatory Requirement Amendments*).

“Regulatory Requirement Amendments Certificate” has the meaning given to it in Condition 21(D) (*Regulatory Requirement Amendments*).

“Regulatory Requirement Event” means that, as a result of a Relevant Regulatory Law:

- (i) the EUA Linked Securities or any of the transactions contemplated by the Conditions and the Transaction Documents are not, or will cease to be, compliant with one or more Relevant Regulatory Laws;
- (ii) the Issuer and/or any Transaction Party is not, or will cease to be, compliant with one or more Relevant Regulatory Laws; or
- (iii) the Issuer and/or any Transaction Party is not, or will cease to be, able to continue to transact future business (as issuer of EUA Linked Securities or as a transaction party to the Issuer pursuant to the Programme) in compliance with all Relevant Regulatory Laws.

“Relevant Authority” means any authority having power pursuant to the EU ETS Directive and/or the Registries Regulation to administer the Scheme, including the Central Administrator and each National Administrator.

“Relevant Clearing System” means, in respect of a Series, each Clearing System through which EUA Linked Securities of such Series are to be cleared, as specified in the relevant Final Terms.

“Relevant Nominating Body” means, in respect of a Reference Rate:

- (i) the central bank for the currency in which the Reference Rate is denominated or any central bank or other supervisor which is responsible for supervising either the Reference Rate or the administrator of the Reference Rate; or
- (ii) any working group or committee officially endorsed or convened by (a) the central bank for the currency in which the Reference Rate is denominated, (b) any central bank or other supervisor which is responsible for supervising either the Reference Rate or the administrator of the Reference Rate, (c) a group of those central banks or other supervisors or (d) the Financial Stability Board or any part thereof.

“Relevant Provisions” means the provisions of the Transaction Documents and the Conditions.

“Relevant Regulatory Law” means, in respect of a Series:

- (i) the Dodd-Frank Act, the Bank Holding Company Act of 1956 and the Federal Reserve Act of 1913 (or similar legislation in other jurisdictions) and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (ii) Regulation 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC Derivatives, central counterparties and trade repositories and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (iii) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;

- (iv) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (v) Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (vi) Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (vii) Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (viii) Council Directive (EU) 2017/952 of 29 May 2017 amending Directive (EU) 2016/1164 as regards hybrid mismatches with third countries and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (ix) the Irish Companies Act 2014 (as amended) and all orders and regulations relating thereto;
- (x) the implementation or adoption of, or any change in, any applicable law, regulation, rule, guideline, standard or guidance of any jurisdiction after the Relevant Regulatory Law Reference Date, and with applicable law, regulation, rule, guideline, standard or guidance for this purpose meaning (a) any similar, related or analogous law, regulation, rule, guideline, standard or guidance to those in paragraphs (i) to (viii) above or any law or regulation that imposes a financial transaction tax or other similar tax or (b) any law, regulation, rule, guideline, standard or guidance of any jurisdiction that is changed or that is implemented as a result of the UK's departure from the EU;
- (xi) any arrangements or understandings that any Transaction Party or any of its Affiliates may have made or entered into with any regulatory agency with respect to its or any of their legal entity structure or location with regard to (a) any of paragraphs (i) to (ix) above or (b) the UK's departure from the EU; or
- (xii) any change in any of the laws, regulations, rules, guidelines, standards or guidance referred to in paragraphs (i) to (ix) above as a result of the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction after the Relevant Regulatory Law Reference Date or as a result of the public or private statement or action by, or response of, any court, tribunal or regulatory authority with competent jurisdiction or any official or representative of any such court, tribunal or regulatory authority acting in an official capacity with respect thereto.

“Relevant Regulatory Law Reference Date” means, in respect of a Series, the Subscription Trade Date in relation to the first Tranche of EUA Linked Securities of such Series.

“Relevant Stock Exchange” means, in respect of a Series, each stock exchange on which such Series is listed.

“Replacement Reference Rate” means, in respect of a Reference Rate:

- (i) where the Reference Rate Event is a Reference Rate Cessation or an Administrator/Benchmark Event, any index, benchmark or other price that is formally designated, nominated or recommended by:
 - (a) any Relevant Nominating Body; or
 - (b) the administrator or sponsor of the Reference Rate (provided that such index, benchmark or other price is substantially the same as the Reference Rate); or

if there is no such designation, nomination or recommendation, or the Calculation Agent reasonably determines that in the context of the EUA Linked Securities such designation, nomination or recommendation is not a commercially reasonable alternative for the affected Reference Rate, then the Replacement Reference Rate shall be such index, benchmark or other price that the Programme Administrator determines to be a commercially reasonable alternative for the affected Reference Rate; and

- (ii) where the Reference Rate Event is not a Reference Rate Cessation or an Administrator/Benchmark Event, any index, benchmark or other price that is determined by the Calculation Agent to be a commercially reasonable alternative for the affected Reference Rate.

“Requirements under the Scheme” means, in respect of a receiving party, each of the following requirements:

- (i) ensuring that on a delivery date, it has one or more Holding Accounts validly registered in accordance with the Registries Regulation; and
- (ii) conducting its affairs so as not to give any Relevant Authority cause to block, suspend, refuse, reject or cancel the transfer (whether in whole or in part) of EUAs requested to be made pursuant to and in accordance with the Conditions.

“Sale/Transfer Breach Redemption Event” has the meaning given to it in Condition 9(b)(xv) (*Early Redemption Events*).

“Sale/Transfer Breach Redemption Event Notice” has the meaning given to it in Condition 9(b)(xv) (*Early Redemption Events*).

“Scheduled Maturity Date” means the scheduled maturity date specified in the Final Terms, subject to (i) postponement in accordance with Condition 9(e) (*Extension of Redemption Disposal Period following EUA Disruption Event*) and Condition 10(c) (*Postponement of Early Redemption Commencement Date and Early Redemption Date or Final Redemption Commencement Date and Scheduled Maturity Date*) and (ii) extension in accordance with Condition 18(d) (*Extension of the Scheduled Maturity Date*).

“Scheduled Valuation Day” means the Series Issue Date and each day thereafter that is an EUA Business Day.

“Scheme” means the scheme for transferring EUAs established pursuant to the EU ETS Directive and the Registries Regulation, and as implemented by the national laws of Member States.

“Secured Creditor” means each person that is entitled to the benefit of Secured Obligations for such Series.

“Secured Obligations” means, in respect of a Series, the obligations of the Issuer under the Trust Deed, each EUA Linked Security of that Series and each other Transaction Document, in each case to the extent such obligations relate to the relevant Series and **“Secured Obligation”** means any of them.

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

“Security” means the English Law Security and the Luxembourg Law Security.

“Securityholder” has the meaning given to it in Condition 2(b) (*Title*).

“Series” means, in respect of EUA Linked Securities, all EUA Linked Securities having the same ISIN or other securities identifier.

“Series Issue Date” means, in respect of a Series, the Issue Date of the first Tranche of EUA Linked Securities of such Series, as specified in the relevant Final Terms.

“Series Overheads” means, in respect of a Series of EUA Linked Securities:

- (i) the costs in relation to the printing of any offering documentation (including any Base Prospectus or any prospectus issued as a supplement to the Base Prospectus) in relation to the Programme or any EUA Linked Securities issued thereunder;
- (ii) the costs of any publication or advertising in respect of such EUA Linked Securities;
- (iii) the payment to the Issuer for its own account for issuing the EUA Linked Securities of a corporate benefit fee of EUR 1,000 for the first Series in each year, EUR 250 per series for the second to the fifth Series in each year and EUR 50 per series for any subsequent Series in each year;
- (iv) any legal fees and disbursements relating to such EUA Linked Securities payable to the legal advisers and other professional advisers to the Issuer in Ireland and/or any other legal advisers and any other professional advisers properly appointed by the Issuer (subject to the prior written approval of the Programme Administrator prior to the occurrence of a Programme Administrator Bankruptcy Event);
- (v) any legal fees and disbursements relating to such EUA Linked Securities payable to the legal advisers and other professional advisers to the Programme Administrator or any Agent and/or any other legal advisers and any other professional advisers properly appointed by the Programme Administrator or any Agent;
- (vi) any fees payable to any Relevant Stock Exchange in respect of the listing of such EUA Linked Securities on such Relevant Stock Exchange or to any regulatory authority; and
- (vii) any other fee, cost, expense, pecuniary sanction or disbursement properly incurred or payable by the Issuer in relation to the issue of such EUA Linked Securities including, without limitation, costs and expenses to carry out the orderly winding-up of the Issuer which is not to be reimbursed by any other person.

“Service Provider Redemption Event” has the meaning given to it in Condition 9(b)(ii) (*Early Redemption Events*).

“Service Provider Redemption Event Notice” has the meaning given to it in Condition 9(b)(ii) (*Early Redemption Events*).

“Specified Currency” means euro.

“Specified Interest Amount” means an amount of interest (subject to a minimum of zero) per EUA Linked Security equal to that EUA Linked Security’s *pro rata* share of the amount of interest (if any) which has accrued (at the rate of interest then applicable in respect of the Cash Account) on the proceeds of realisation of the Underlying EUAs which have been deposited into the Cash Account, during or relating to the Redemption Disposal Period.

“**specified office**” means, in relation to any Agent, the office identified in respect of such Agent in the Constituting Instrument or any other office approved by the Trustee and notified to Securityholders in accordance with Condition 20 (*Notices*).

“**Subscription Order**” means a request for the Issuer to issue EUA Linked Securities delivered in accordance with the relevant Authorised Participant Agreement.

“**Subscription Payment Amount**” means, in respect of a Subscription Order, an amount in the Specified Currency equal to the product of (i) the Value per EUA Linked Security as of the relevant Subscription Trade Date and (ii) the number of EUA Linked Securities to be issued pursuant to such Subscription Order.

“**Subscription Settlement Amount**” means, in respect of a subscription for EUA Linked Securities and the related Subscription Settlement Date, a number of EUAs determined by the Calculation Agent as being equal to the product of the EUA Entitlement per EUA Linked Security in respect of the relevant Subscription Trade Date and the aggregate number of EUA Linked Securities to be issued pursuant to the relevant Subscription Order (subject to rounding in accordance with Condition 12(i) (*Rounding*)).

“**Subscription Settlement Date**” means, in respect of a Subscription Order, subject to the relevant Authorised Participant Agreement, such date after the Subscription Trade Date as agreed between the Issuer (or the Calculation Agent on its behalf) and the relevant Authorised Participant.

“**Subscription Trade Date**” means an Eligible Order Day on which a Subscription Order is submitted by an Authorised Participant by the relevant cut-off time and determined to be valid and accepted and processed by or on behalf of the Issuer in accordance with the relevant Authorised Participant Agreement.

“**Substituted Obligor**” has the meaning given to it in Condition 18(c) (*Substitution*).

“**Substitution**” has the meaning given to it in Condition 18(c) (*Substitution*).

“**Substitution Deed**” means a deed entered into from time to time between, *inter alia*, the Issuer, the Substituted Obligor and the Trustee, under which the Substituted Obligor agrees to assume all rights, liabilities, duties and obligations of the Issuer under the Transaction Documents in place of the Issuer.

“**Successor Notice**” has the meaning given to it in Condition 11(a) (*Successor Reference Rate and Successor Price Source*).

“**Successor Reference Rate**” has the meaning given to it in Condition 11(a) (*Successor Reference Rate and Successor Price Source*).

“**T2**” means the real time gross settlement system operated by the Eurosystem, or any successor system.

“**T2 Settlement Day**” means any day on which T2 is open for the settlement of payments in euro.

“**Tax**” means any present or future tax, duty, assessment or charge of whatsoever nature (including, without limitation, any tax on income, profits, gains, net wealth, asset values or turnover, stamp duty, stamp duty reserve tax, excise, severance, sales, use, transfer, documentary, recording tax or duty or any other similar tax, duty or charge) imposed, levied, collected, withheld or assessed by any government, applicable tax authority or jurisdiction.

“**Tax Redemption Event**” has the meaning given to it in Condition 9(b)(iii) (*Early Redemption Events*).

“**Tax Redemption Event Notice**” has the meaning given to it in Condition 9(b)(iii) (*Early Redemption Events*).

“**Termination Event Redemption Event**” has the meaning given to it in Condition 9(b)(iv) (*Early Redemption Events*).

“**Theft Redemption Event**” has the meaning given to it in Condition 9(b)(vi) (*Early Redemption Events*).

“Theft Redemption Event Notice” has the meaning given to it in Condition 9(b)(vi) (*Early Redemption Events*).

“Threshold Level Redemption Event” has the meaning given to it in Condition 9(b)(vii) (*Early Redemption Events*).

“Total Expense Ratio” has the meaning given to it in Condition 5(e)(i) (*Total Expense Ratio*).

“Tranche” means, in relation to EUA Linked Securities of a Series, the EUA Linked Securities of that Series that are issued on the same Issue Date at the same Issue Price per EUA Linked Security and that have the same ISIN or other securities identifier.

“Transaction Document” means, in respect of a Series, the Constituting Instrument, the Final Terms, the Trust Deed, the Agency Agreement, the Programme Administrator Agreement, the EUA Custody Agreement, each Authorised Participant Agreement and the Account Bank Agreement, and **“Transaction Documents”** means all such documents.

“Transaction Party” means a party to a Transaction Document (other than the Issuer) and the Corporate Services Provider save that where the Conditions require notification to each Transaction Party this shall not include any Authorised Participant or the Corporate Services Provider.

“Transfer Agent” means UBS Europe SE, Luxembourg branch.

“Trust Deed” means, in respect of a Series, the trust deed relating to such Series of EUA Linked Securities entered into as a deed by the Issuer, the Trustee and any other parties thereto by the execution of the Constituting Instrument and in the form of the relevant Master Trust Terms (as amended and/or supplemented by the Constituting Instrument).

“Trusted Status” means, with respect to a Holding Account, that such account is included with the list of “trusted accounts” maintained by the Union Registry to which Holding Accounts may make transfers of EUAs and meets any other security or other requirements of the Union Registry enabling the transfer to that account of EUAs.

“Trustee” means BNY Mellon Corporate Trustee Services Limited.

“Underlying EUAs” means, in respect of a Series, all EUAs held by the EUA Custodian in the EUA Custody Account relating to such Series.

“Union Registry” means the registry referred to as the “Community registry” in Article 19(1) of the EU ETS Directive.

“Valuation Day” means each Scheduled Valuation Day other than a Scheduled Valuation Day in respect of which a Valuation Disruption Event Suspension Notice has been delivered to the Issuer by the Programme Administrator.

“Valuation Disruption Event” has the meaning given to it in Condition 10(a) (*Valuation Disruption Events*).

“Valuation Disruption Event Suspension Notice” has the meaning given to it in Condition 10(b) (*Suspension of Subscriptions/Buy-Backs*).

“Value per EUA Linked Security” has the meaning given to it in Condition 5(c) (*Value per EUA Linked Security*).

“VAT” means:

- (i) within the EU, such taxation as may be levied in accordance with (but subject to derogations from) EU Directive 2006/112/EC;
- (ii) within the UK, any value added tax imposed by the VAT Act 1994; and

- (iii) outside the EU and the UK, any similar taxation levied by reference to added value or sales.

“**Weekday**” means each of Monday, Tuesday, Wednesday, Thursday and Friday.

2 Form and Title

(a) **Form**

The EUA Linked Securities will be issued in registered form. The EUA Linked Securities will initially be represented by a Registered Global Certificate which may be exchanged for one or more Definitive Registered Securities Certificates in the circumstances described in Condition 3 (*Transfers and Exchange*).

(b) **Title**

Title to the EUA Linked Securities is recorded on the Register and shall pass by registration in the Register.

Except as ordered by a court of competent jurisdiction or as required by law, the holder of any EUA Linked Security represented by a Registered Global Certificate whose name is registered in the Register shall be deemed to be and may be treated as its absolute owner for all purposes and regardless of any notice of ownership, trust or an interest in it, and no person shall be liable for so treating the holder. In the Conditions, “**Securityholder**” and “**holder**” of an EUA Linked Security means the person in whose name an EUA Linked Security of the relevant Series is registered in the Register.

3 Transfers and Exchange

(a) **General**

Legal title to the EUA Linked Securities will pass upon registration of the transfer in the Register maintained by the relevant Registrar.

(b) **EUA Linked Securities in global form**

All transfers of EUA Linked Securities represented by a Registered Global Certificate shall be subject to and made in accordance with the rules, procedures and practices in effect of the Relevant Clearing System(s).

(c) **Exchange**

While the EUA Linked Securities are cleared through the Relevant Clearing System(s), the EUA Linked Securities will be represented by a Registered Global Certificate. The Registered Global Certificate will be exchangeable (free of charge to the holder) on or after the Exchange Date in whole, but not in part, for one or more Definitive Registered Securities Certificates if the following occur (unless otherwise notified by the Issuer to Securityholders in accordance with Condition 20 (*Notices*)):

- (i) the Relevant Clearing System(s) is/are closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise); and/or
- (ii) the Relevant Clearing System(s) announce(s) an intention permanently to cease business or do(es) in fact do so.

Any such exchange may be effected on or after an Exchange Date by the holder of the Registered Global Certificate surrendering the Registered Global Certificate to or to the order of the relevant Registrar. In exchange for the Registered Global Certificate, the Issuer will deliver, or procure the

delivery of, one or more duly executed and authenticated Definitive Registered Securities Certificates in an aggregate number equal to the number of EUA Linked Securities represented by the Registered Global Certificate submitted for exchange.

(d) *Securities in definitive form*

Transfers of definitive registered securities are effected upon the surrender (at the specified office of the relevant Registrar or Transfer Agent) of the Definitive Registered Securities Certificate(s) representing such definitive registered securities to be transferred, together with the form of transfer endorsed on such Definitive Registered Securities Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the relevant Registrar or Transfer Agent may reasonably require.

In the case of a transfer of part only of a holding of definitive registered securities represented by one Definitive Registered Securities Certificate, a new Definitive Registered Securities Certificate shall be issued to the transferee in respect of the part transferred and a further new Definitive Registered Securities Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(e) *Delivery of new Definitive Registered Securities Certificates*

Each new Definitive Registered Securities Certificate to be issued pursuant to this Condition 3 (*Transfers and Exchange*) shall be available for delivery within three Business Days of surrender of the Definitive Registered Securities Certificate for exchange and receipt of the relevant form of transfer and any evidence required by the relevant Registrar or Transfer Agent. Delivery of the new Definitive Registered Securities Certificate(s) shall be made at the specified office of the relevant Registrar or Transfer Agent (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer or Definitive Registered Securities Certificate shall have been made or, at the option of the Securityholder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Securityholder entitled to the new Definitive Registered Securities Certificate (as applicable) to such address as may be so specified, unless such Securityholder requests otherwise and pays in advance to the Transfer Agent or the relevant Registrar (as applicable) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(e) (*Delivery of new Definitive Registered Securities Certificates*), “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are open for general business in the city in which the specified office of the relevant Registrar or Transfer Agent is located.

(f) *Transfer Free of Charge*

Transfers of EUA Linked Securities shall be effected without charge by or on behalf of the Issuer, the relevant Registrar or Transfer Agent but upon payment by the relevant holder of any Tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuer, the relevant Registrar or Transfer Agent may require).

(g) *Closed Periods*

If the rules and procedures of the relevant Registrar and/or for so long as the EUA Linked Securities are held in a Relevant Clearing System, the rules and procedures of the Relevant Clearing System(s) include any closed period in which no Securityholder may require the transfer of an EUA Linked Security to be registered in the Register, such closed periods shall apply to the EUA Linked Securities. Details of any such closed period are available from the relevant Registrar or the Relevant Clearing System (as applicable).

4 Constitution and Status

Each Series of EUA Linked Securities is constituted and secured by the relevant Trust Deed. The EUA Linked Securities are secured, limited recourse obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 6 (*Security*) and recourse in respect of which is limited in the manner described in Condition 15 (*Enforcement*) and Condition 17 (*Limited Recourse and Non-Petition*).

5 EUA Entitlement and Value

(a) *Determination of EUA Entitlement and Value*

The Calculation Agent shall calculate the EUA Entitlement per EUA Linked Security in respect of each calendar day and the Value per EUA Linked Security in respect of each Valuation Day, in each case, up to (and including) the Early Redemption Commencement Date or Final Redemption Commencement Date (as applicable).

(b) *EUA Entitlement per EUA Linked Security*

The “**EUA Entitlement per EUA Linked Security**” in respect of a calendar day shall be an amount per EUA Linked Security determined by the Calculation Agent as follows:

- (i) in relation to the Series Issue Date, the EUA Entitlement per EUA Linked Security shall be equal to the Initial EUA Entitlement per EUA Linked Security; and
- (ii) in relation to any other calendar day, the EUA Entitlement per EUA Linked Security shall be an amount calculated by the Calculation Agent equal to the EUA Entitlement per EUA Linked Security in respect of the immediately preceding calendar day, reduced by the application of the Total Expense Ratio for one calendar day.

For illustration purposes only, a formulaic expression of the determination of the EUA Entitlement per EUA Linked Security in respect of any calendar day other than the Series Issue Date is set out below:

$$E_t = E_{t-1} \times [(1 - TER_t)^{1/365}]$$

Where:

“**E_t**” means, in respect of a calendar day (t), the EUA Entitlement per EUA Linked Security in respect of that calendar day;

“**E_{t-1}**” means, in respect of a calendar day (t), the EUA Entitlement per EUA Linked Security in respect of the immediately preceding calendar day; and

“**TER_t**” means, in respect of a calendar day (t), the Total Expense Ratio as at that calendar day (t).

If a De Minimis Theft Event occurs, the Calculation Agent may make such adjustments to the EUA Entitlement per EUA Linked Security, and any other relevant terms of the EUA Linked Securities, as it considers appropriate to account for the effect of such De Minimis Theft Event.

(c) *Value per EUA Linked Security*

The “**Value per EUA Linked Security**” in respect of a Valuation Day shall be an amount per EUA Linked Security expressed in the Specified Currency and determined by the Calculation Agent as being equal to:

- (i) the EUA Entitlement per EUA Linked Security in respect of the relevant Valuation Day; multiplied by

- (ii) the EUA Reference Price in respect of the relevant Valuation Day.

For illustration purposes only, a formulaic expression of the determination of Value per EUA Linked Security is set out below:

$$VpS_t = E_t \times R_t$$

Where:

“**VpS_t**” means, in respect of a Valuation Day (t), the Value per EUA Linked Security in respect of that Valuation Day;

“**E_t**” means, in respect of a Valuation Day (t), the EUA Entitlement per EUA Linked Security in respect of that Valuation Day; and

“**R_t**” means, in respect of a Valuation Day (t), the EUA Reference Price in respect of that Valuation Day.

(d) Corrections

If, following the determination of the EUA Entitlement per EUA Linked Security and the Value per EUA Linked Security in respect of any Valuation Day, the Calculation Agent subsequently determines or it comes to its attention that such value was incorrectly determined, the Calculation Agent may adjust any relevant terms of the EUA Linked Securities to account for a correction thereof but provided that, whilst it may do so in its discretion, the Calculation Agent shall not be required to make any such correction where it determines that such correction would not in its opinion result in a material change to the EUA Entitlement per EUA Linked Security or Value per EUA Linked Security. The Calculation Agent shall give notice to Securityholders of any such adjustments made pursuant to this Condition 5(d) (*Corrections*) as soon as reasonably practicable in accordance with Condition 20 (*Notices*).

(e) Total Expense Ratio

- (i) The “**Total Expense Ratio**” in respect of a Series of EUA Linked Securities is 0.75 per cent. per annum unless otherwise specified in the Final Terms. The Total Expense Ratio is applied to the EUA Entitlement per EUA Linked Security on a daily basis to determine a daily reduction to the EUA Entitlement per EUA Linked Security to pay the fees of the Programme Administrator, the EUA Custodian and the EUA Disposal Agent relating to such Series.
- (ii) The Programme Administrator may vary the Total Expense Ratio in respect of a Series of EUA Linked Securities from time to time by notice to the Issuer, the Transaction Parties and the Securityholders, provided that no increase in the Total Expense Ratio in respect of such Series will take effect unless Securityholders of such Series have been given at least 30 calendar days’ notice.
- (iii) The EUA Disposal Agent shall, on behalf of the Issuer, periodically realise Underlying EUAs representing the aggregate reduction in the EUA Entitlement per EUA Linked Security in respect of the relevant Series of EUA Linked Securities (subject to rounding in accordance with Condition 12(i) (*Rounding*)). The Issuer has authorised and directed the EUA Custodian to deliver, on the Issuer’s behalf, Underlying EUAs from the EUA Custody Account to, or to the order of, the EUA Disposal Agent as required for the EUA Disposal Agent to effect each such realisation.

6 Security

(a) Security

- (i) The Secured Obligations are secured in favour of the Trustee for the benefit of itself and as trustee for the other Secured Creditors, pursuant to the Trust Deed in respect of the relevant Series of EUA Linked Securities, by:
 - (A) a first ranking pledge under Luxembourg law of all of the Issuer's claims, rights, title, interest and benefit (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) present and future against the EUA Custodian under the EUA Custody Agreement in relation to the EUA Custody Account in respect of the relevant Series of EUA Linked Securities;
 - (B) a first ranking pledge under Luxembourg law of all present and future assets, rights, claims and distributions (including all income, payments, interest, proceeds, revenues, title, benefits, products, property, sum received, receivable or otherwise distributed) held in or in connection with any financial instruments accounts opened by the Issuer with the EUA Custodian in respect of the relevant Series of EUA Linked Securities including, for the avoidance of doubt, securities (including any securities and similar instruments (i) credited, by way of book entry (*inscription en compte*), or as otherwise deposited or held, in each case without specification of numbers or other individual identification elements, on a fungible basis or (ii) otherwise registered and/or referenced and/or referred to in the account or the EUA Custodian's books and/or held in any other manner by the EUA Custodian for the account of the Issuer on a contractual basis or otherwise (including as a nominee)), cash and other rights and the property held therein or credited thereto; and
 - (C) a first ranking pledge under Luxembourg law of all present and future amounts, rights and claims (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) held in, or in connection to, the Cash Account under the Account Bank Agreement in respect of the relevant Series of EUA Linked Securities and the grant of a first ranking security interest under Luxembourg law in respect of such amounts (the security in paragraphs (A), (B) and (C) together, the "**Luxembourg Law Security**");
 - (D) in addition, but subject to the Luxembourg Law Security;
 - (I) an assignment by way of security under English law of all of the Issuer's rights, title, interest and benefit present and future in, to and under the Agency Agreement, the Programme Administrator Agreement and any Authorised Participant Agreement (in each case to the extent that they relate to the relevant Series of EUA Linked Securities); and
 - (II) a first fixed charge under English law over (x) all sums and any other property held or received by the EUA Disposal Agent relating to the sale of Underlying EUAs in respect of the relevant Series of EUA Linked Securities; and (y) all sums held now or in the future by the Issuing and Paying Agent to meet payments due in respect of any Secured Obligation relating to the relevant Series of EUA Linked Securities (the security in (I) and (II) together, the "**English Law Security**").
- (ii) The Security is granted to the Trustee for the benefit of itself and as trustee for the other Secured Creditors as continuing security for the Secured Obligations relating to the relevant Series of EUA Linked Securities. In accordance with the Trust Deed, prior to any enforcement

of the Security, the Trustee will be deemed to release from such Security without the need for any notice or other formalities:

- (A) any cash or EUAs held by the EUA Custodian on the Issuer's behalf, the Issuing and Paying Agent, the Account Bank and/or the EUA Disposal Agent or any person, as applicable, to the extent such cash or EUAs are required for, and at the time of, payment of any sum or delivery of any EUAs in respect of the relevant Series of EUA Linked Securities and/or under the Transaction Documents;
- (B) upon certification by the Calculation Agent from time to time to the Trustee that the amount standing to the credit of the Cash Account exceeds (as reasonably determined by the Calculation Agent) the amount the Issuer requires at that time to meet (x) the relevant Series Overheads, (y) the Issuer's share of any taxes owing by it in respect of a Series of EUA Linked Securities and/or (z) any fees, costs and expenses payable by the Issuer in relation to EUA Linked Securities of such Series to the Trustee, any Agent, or any other Transaction Party pursuant to, or in connection with, the Transaction Documents in relation to such EUA Linked Securities (in each case as they stand at such time), such excess;
- (C) the Mortgaged Property only to the extent necessary to allow the Disposal Agent to effect a realisation of the Underlying EUAs in accordance with Condition 9(c) (*Liquidation of Underlying EUAs following an Early Redemption Commencement Date or Final Redemption Commencement Date*) or the Transaction Documents, and with such release taking place at the time of delivery (following receipt of the proceeds of realisation) (and provided that nothing in this paragraph shall operate to release the Security over the proceeds of the realisation of the Underlying EUAs);
- (D) the Issuer's rights in relation to any Authorised Participant Agreement only to the extent required to assign any benefit to the Programme Administrator if the Programme Administrator has made payment or delivery to or to the order or for the benefit of the Issuer of payments or deliveries that an Authorised Participant was required but has failed to make, and with such release taking place at the time of such assignment; and
- (E) a *pro rata* amount of the Mortgaged Property to the extent required for, and at the time of, the buy-back and cancellation of any EUA Linked Securities by the Issuer in accordance with Condition 8 (*Subscription and Buy-Back*) and/or an Authorised Participant Agreement.

(b) Issuer's Rights as Beneficial Owner of the Underlying EUAs

Unless otherwise permitted by the Conditions or other Transaction Documents, the Issuer shall not exercise any rights with respect to the Mortgaged Property relating to the relevant Series of EUA Linked Securities unless it has obtained the sanction of an Extraordinary Resolution or the prior written consent of the Trustee and, if such sanction or consent is given, the Issuer shall act only in accordance with such sanction or consent, provided that, prior to the Security in respect of the relevant Series of EUA Linked Securities becoming enforceable, the Issuer may release or modify the rights and assets which are comprised in the Mortgaged Property for the relevant Series of EUA Linked Securities without any such sanction or consent being required to the extent necessary in connection with any of the circumstances described in Condition 6(a) (*Security*) in relation to which the Security over such Mortgaged Property is released.

7 Restrictions

So long as any of the EUA Linked Securities remain outstanding, the Issuer has covenanted so that it will not, without the prior written consent of the Trustee and except as provided for or contemplated in the Conditions or any Transaction Document:

- (i) engage in any activity or do anything whatsoever (and has represented that it has not engaged in any activity or done anything whatsoever), except:
 - (A) issuing or entering into EUA Linked Securities, bonds, or other debt securities, loan obligations, funds, equities, exchange traded funds, commodities, exchange traded derivatives and other exchange traded products, derivative transactions including, without limitation, currency exchange and currency hedging arrangements, swaps transactions (including, without limitation, total return, default and funded default swaps) options or futures transactions, buy-sell back transactions, sale and repurchase transactions, further securities (each an “**Investment**” and together the “**Investments**”) provided that such Investments are secured (unless otherwise specified in the relevant Constituting Instrument) on specified assets of the Issuer (other than its share capital) and on terms which provide for the extinguishment of all claims in respect of such Investments to the extent not paid in full after application of the proceeds of the specified assets on which such Investments are secured (the “**Permitted Investments**”); or otherwise incurring indebtedness or obligations in respect of moneys borrowed or raised or in respect of the issue or creation of other investments where such indebtedness or obligation is incurred on terms that it is secured (unless otherwise specified in the relevant Constituting Instrument) on specified assets of the Issuer (other than its share capital) which do not form part of the Mortgaged Property and on terms which provide for the extinguishment of all claims in respect of such indebtedness or obligation to the extent not paid in full after application of the proceeds of the specified assets on which such indebtedness or obligation is secured (the “**Permitted Obligations**”);
 - (B) enter into any Agency Agreement, Trust Deed, or deed or agreement of any other kind related to any Permitted Investment or Permitted Obligation, provided always that any such agreement is entered into on terms which provide for extinguishment of all claims in respect of such obligations to the extent not paid in full after application of the proceeds of the specified assets on which such indebtedness or obligation is secured;
 - (C) acquire, or enter into any agreement constituting the collateral in respect of any Permitted Investment or the assets securing any Permitted Obligations;
 - (D) perform its obligations under each Permitted Investment or Permitted Obligation and the Agency Agreement, the Trust Deed, the EUA Custody Agreement, the Constituting Instrument, the Account Bank Agreement, the Programme Administrator Agreement and any Authorised Participant Agreement or other deeds or agreements incidental to the issue and constitution of, or the granting of security for, any Permitted Investment or Permitted Obligations;
 - (E) enforce any of its rights under the Agency Agreement, the Trust Deed, the EUA Custody Agreement, the Constituting Instrument, the Account Bank Agreement, the Programme Administrator Agreement and the Authorised Participant Agreement or any other deed or agreement entered into in relation to any Permitted Investment or Permitted Obligations;
 - (F) enter into any agreement in order to facilitate compliance with the regulatory obligations of the Issuer and/or any other relevant party; or
 - (G) perform any act incidental to or necessary in connection with any of the above;
- (ii) have any subsidiaries or employees;

- (iii) subject to paragraph (i) above, dispose of any of its property or other assets or any part thereof or interest therein (subject as provided in the Conditions relating to any Permitted Investment or the terms and conditions of any Permitted Obligations);
- (iv) declare or pay any dividend or other distribution to its shareholders;
- (v) purchase, own, lease or otherwise acquire any real property;
- (vi) consolidate or merge with any other person; or
- (vii) issue any shares.

8 Subscription and Buy-Back

(a) *Further Issues*

- (i) Subject to Condition 6 (*Security*), the Issuer may, from time to time (without the consent of the Trustee or any Securityholder), in accordance with the Trust Deed, the Conditions, the Agency Agreement and the relevant Authorised Participant Agreement, create and issue further securities that are either:
 - (a) a new Series of EUA Linked Securities upon such terms as the Issuer may determine at the time of their issue; or
 - (b) securities having the same terms and conditions as the EUA Linked Securities of a Series in all respects and so that such further issue shall be consolidated and form a single series with the EUA Linked Securities of the relevant Series and the Issuer may incur further obligations relating to such EUA Linked Securities.

The aggregate number of EUA Linked Securities outstanding for a Series shall not at any time exceed the maximum number of EUA Linked Securities specified in the relevant Registered Global Certificate provided that the Issuer may from time to time increase the maximum number of EUA Linked Securities so specified without requiring approval from Securityholders, the Trustee or any other Transaction Party.

- (ii) Any new securities forming a single series with outstanding EUA Linked Securities of a Series and which are expressed to be constituted and secured by the same Trust Deed will, upon the issue thereof by the Issuer, be constituted and secured by such Trust Deed without any further formality and irrespective of whether or not the issue of such securities contravenes any covenant or other restriction in the Trust Deed and shall be secured by the same Mortgaged Property (as increased and/or supplemented in connection with such issue of such new securities) and references in these Conditions to “**EUA Linked Securities**”, “**Mortgaged Property**”, “**Secured Obligations**”, and “**Secured Creditors**” and any other relevant term shall be construed accordingly.
- (iii) Only an Authorised Participant in respect of the relevant Series of EUA Linked Securities may request that the Issuer issue a further Tranche of EUA Linked Securities of the relevant Series, and shall do so by the Authorised Participant delivering a valid Subscription Order subject to and in accordance with the terms of the relevant Authorised Participant Agreement.
- (iv) If a Subscription Order is accepted by or on behalf of the Issuer, then (unless otherwise agreed between the Issuer and the relevant Authorised Participant):
 - (a) the Authorised Participant shall pay to the Issuer an amount equal to the Subscription Payment Amount as consideration for the subscription for EUA Linked Securities by the Authorised Participant;

- (b) the Issuer shall cause the relevant number of EUA Linked Securities to be issued and delivered to the account with a Relevant Clearing System notified by the Authorised Participant to the Issuer and the Calculation Agent;
- (c) the Issuer shall pay to the Authorised Participant an amount equal to the Subscription Payment Amount as consideration for the acquisition by the Issuer of EUAs pursuant to paragraph (d) below; and
- (d) the Authorised Participant shall deliver a number of EUAs equal to the Subscription Settlement Amount to the EUA Custody Account,

in each case, by no later than the Subscription Settlement Date.

(b) Buy-Back of EUA Linked Securities from Authorised Participants

The Issuer may (without the consent of the Trustee or any Securityholder), from time to time, buy-back all or some of the EUA Linked Securities of any Series.

An Authorised Participant in respect of the relevant Series of EUA Linked Securities may request that the Issuer buys back EUA Linked Securities of such Series from such Authorised Participant, and shall do so by delivering a valid AP Buy-Back Order subject to and in accordance with the terms of the relevant Authorised Participant Agreement.

Once submitted, an AP Buy-Back Order is irrevocable, unless otherwise agreed by the Issuer (or the Calculation Agent on its behalf).

If an AP Buy-Back Order is accepted by the Calculation Agent (on behalf of the Issuer), in accordance with the terms of the relevant Authorised Participant Agreement, then:

- (i) the Issuer shall sell and deliver to, or to the order of, the Authorised Participant, a number of Underlying EUAs equal to the Buy-Back Settlement Amount;
- (ii) the Authorised Participant shall pay to the Issuer an amount equal to the Buy-Back Payment Amount as consideration for the acquisition of Underlying EUAs from the Issuer;
- (iii) the Issuer shall pay to the Authorised Participant an amount equal to the Buy-Back Payment Amount as consideration for the buy back by the Issuer of the relevant number of EUA Linked Securities;
- (iv) the Authorised Participant shall deliver to the Issuing and Paying Agent (on behalf of the Issuer) the relevant number of EUA Linked Securities; and
- (v) upon receipt of the EUA Linked Securities pursuant to paragraph (iv) above, the Issuer shall cancel (or shall cause the Issuing and Paying Agent to cancel) such EUA Linked Securities,

in each case, by no later than the Buy-Back Settlement Date.

(c) Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders

A Non-Authorised Participant Securityholder in respect of the relevant Series of EUA Linked Securities may request that the Issuer buys back EUA Linked Securities of such Series from such Non-Authorised Participant Securityholder, and shall do so by delivering a valid Non-AP Buy-Back Order to the Issuer and the Calculation Agent.

Once submitted, a Non-AP Buy-Back Order is irrevocable, unless otherwise agreed by the Issuer (or the Calculation Agent on its behalf).

A Non-AP Buy Back Order will only be valid if the following conditions are satisfied (as determined by the Calculation Agent in its sole discretion):

- (i) it specifies the name, address and contact details of the relevant Non-Authorised Participant Securityholder;
- (ii) it specifies the number and Series of the EUA Linked Securities to be bought back (provided that only one Series may be specified);
- (iii) it specifies a Holding Account into which EUAs can be transferred by, or on behalf of, the Issuer and such account has Trusted Status;
- (iv) it has been duly signed by the Non-Authorised Participant Securityholder;
- (v) the Non-Authorised Participant Securityholder has provided evidence satisfactory to the Calculation Agent that it is the sole legal and beneficial holder of the EUA Linked Securities to be bought back;
- (vi) the Non-Authorised Participant Securityholder has provided evidence satisfactory to the Calculation Agent that the EUA Linked Securities relating to the Non-AP Buy-Back Order have been blocked in the relevant account with the relevant Clearing System;
- (vii) the Non-Authorised Participant Securityholder has completed (to the satisfaction of the Issuer and/or the Calculation Agent (as applicable)) all compliance, identification, onboarding, anti-money laundering, know-your-customer or similar checks and requirements required by the Issuer and/or the Calculation Agent;
- (viii) the Non-Authorised Participant Securityholder has paid the Buy-Back Costs;
- (ix) no Early Redemption Commencement Date has occurred on or prior to the date on which the Non-AP Buy-Back Order is received by the Issuer (or the Calculation Agent on its behalf);
- (x) no Valuation Disruption Event Suspension Notice has been given by the Programme Administrator in respect of the date on which the Non-AP Buy-Back Order is received by the Issuer (or the Calculation Agent on its behalf); and
- (xi) the Issuer would not be prohibited due to legal or regulatory reasons from making a delivery of Underlying EUAs to the Holding Account designated by the Non-Authorised Participant Securityholder, and the Non-Authorised Participant Securityholder is not prohibited by applicable law or regulation from owning or taking delivery of the Underlying EUAs.

If a Non-AP Buy-Back Order is accepted by or on behalf of the Issuer, then:

- (i) the Issuer shall sell and deliver to, or to the order of, the Non-Authorised Participant Securityholder, a number of Underlying EUAs equal to the Buy-Back Settlement Amount;
- (ii) the Non-Authorised Participant Securityholder shall pay to the Issuer an amount equal to the Buy-Back Payment Amount as consideration for the acquisition of Underlying EUAs from the Issuer;
- (iii) the Issuer shall pay to the Non-Authorised Participant Securityholder an amount equal to the Buy-Back Payment Amount as consideration for the buy back by the Issuer of the relevant number of EUA Linked Securities;
- (iv) the Non-Authorised Participant Securityholder shall deliver to the Issuing and Paying Agent (on behalf of the Issuer) the relevant number of EUA Linked Securities; and
- (v) upon receipt of the EUA Linked Securities pursuant to paragraph (iv) above, the Issuer shall cancel (or shall cause the Issuing and Paying Agent to cancel) such EUA Linked Securities,

in each case, in the manner, and on the date(s), notified by the Issuer (or the Calculation Agent on its behalf) to the relevant Non-Authorised Participant Securityholder.

If, in respect of a Non-AP Buy-Back Order accepted by or on behalf of the Issuer: (A) an Early Redemption Commencement Date occurs; (B) an EUA Disruption Event occurs; (C) the Programme Administrator delivers a Valuation Disruption Event Suspension Notice, in each case, on or after the relevant Buy-Back Trade Date, then the Issuer (or the Calculation Agent on its behalf) shall notify the relevant Non-Authorised Participant Securityholder that such Non-AP Buy-Back Order shall be deemed to be cancelled.

(d) Cancellation of EUA Linked Securities following Buy-Back

All EUA Linked Securities purchased by or on behalf of the Issuer shall be cancelled. Any EUA Linked Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such EUA Linked Securities shall be discharged. In accordance with the Trust Deed, the Trustee will and will be deemed to release without the need for any notice or other formalities from such Security the relevant portion of the Mortgaged Property relating to the EUA Linked Securities so purchased and cancelled, including such releases as are necessary to make any related deliveries and payments under an Authorised Participant Agreement or to a Non-Authorised Participant Securityholder in accordance with Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*) above.

9 Redemption

(a) Final Redemption

Unless previously redeemed in whole or purchased and cancelled by the Issuer in accordance with Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*), Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*) and Condition 8(d) (*Cancellation of EUA Linked Securities following Buy-Back*), each EUA Linked Security shall become due and payable at its Final Redemption Amount on the Scheduled Maturity Date.

(b) Early Redemption Events

Each of the events specified in paragraphs (i) to (xv)(xvii) below shall be an early redemption event (each, an “**Early Redemption Event**”) (and for the avoidance of doubt, (i) neither the Issuer nor any Transaction Party shall need any consent of the Trustee or other person to deliver any of the notices contemplated as being potentially delivered by it below and (ii) each of the notices contemplated below shall be irrevocable once delivered).

If an Early Redemption Event occurs with respect to a Series of EUA Linked Securities, all EUA Linked Securities of the relevant Series outstanding as at the relevant Early Redemption Date shall become due and payable at the relevant Early Redemption Amount (other than in the case of a Sale/Transfer Breach Redemption Event or a Consolidation Redemption Event, in which case only the Affected Securities shall become due and payable at the relevant Early Redemption Amount).

- (i) **Change in Law or Regulation Redemption Event:** if, on or after the Series Issue Date, the Programme Administrator determines that it has (or the Programme Administrator reasonably expects that it will) become illegal for the Issuer, the EUA Custodian or the EUA Disposal Agent to (x) hold, acquire or dispose of all or some only of the Underlying EUAs, and/or (y) perform its obligations under the EUA Linked Securities or that the Issuer, the EUA Custodian or the EUA Disposal Agent would (or would expect to) incur a materially increased cost in performing its obligations under the EUA Linked Securities (including, without limitation, any increase in any applicable Taxes, any decrease in any applicable tax benefit

and/or any other costs or Tax liability of the Issuer relating to any change in any applicable tax law or regulation) due to:

- (A) the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, applicable market association, tax authority and/or any exchange); or
- (B) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority),

the Programme Administrator may (but is not obliged to) give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice a “**Change in Law or Regulation Redemption Event Notice**”), and if it does give a Change in Law or Regulation Redemption Event Notice, a “**Change in Law or Regulation Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.

- (ii) **Service Provider Redemption Event:** if any Agent and/or all of the Authorised Participants resigns or their appointment is terminated (including, for the avoidance of doubt, automatically terminated in accordance with the relevant Transaction Document) for any reason (other than in the case of an EUA Custodian Bankruptcy/Breach Event) and no successor or replacement has been appointed within 60 calendar days of the date the resignation or termination become effective, the Programme Administrator (or, if the Programme Administrator has resigned or had its appointment terminated, the Calculation Agent) may (but shall not be obliged to) give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice a “**Service Provider Redemption Event Notice**”), and if it does give a Service Provider Redemption Event Notice, a “**Service Provider Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.

- (iii) **Tax Redemption Event:** if the Issuer will, or there is a substantial likelihood that it will, on the next date on which there is a sale of EUAs in relation to the Total Expense Ratio or on which a delivery of Underlying EUAs is due in respect of a subscription for EUA Linked Securities by an Authorised Participant or a buy-back by the Issuer of EUA Linked Securities from an Authorised Participant or a Non-Authorised Participant Securityholder (as applicable), be required to:

- (A) make a payment in respect of VAT (where such VAT is irrecoverable for the Issuer); or
- (B) account for any other Taxes (excluding VAT) on such delivery of EUAs from an Authorised Participant or to an Authorised Participant or a Non-Authorised Participant Securityholder (as applicable) (whether or not such Taxes (excluding VAT) are recoverable);

the Programme Administrator may (but is not obliged to) give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice a “**Tax Redemption Event Notice**”), and if it does give a Tax Redemption Event Notice, a “**Tax Redemption Event**” Early Redemption Event will occur on the Business Day following the date of the Tax Redemption Event Notice.

- (iv) **Termination Event Redemption Event:** if the Programme Administrator becomes entitled to serve a Tax Redemption Event Notice, and the Trustee is notified in writing of such

entitlement and directed in writing by holders of at least one-fifth in number of the EUA Linked Securities then outstanding to give a notice under this Condition 9(b)(iv) (*Termination Event Redemption Event*), the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed and a “**Termination Event Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.

- (v) **Euro Dissolution Redemption Event:** if the Programme Administrator determines that an event has occurred by which the Specified Currency ceases to exist as a lawful currency, the Programme Administrator may (but is not obliged to) give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice a “**Euro Dissolution Redemption Event Notice**”), and if it does give a Euro Dissolution Redemption Event Notice, a “**Euro Dissolution Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.
- (vi) **Theft Redemption Event:** if the Programme Administrator becomes aware that Underlying EUAs representing one per cent. or more of the total number of Underlying EUAs have been stolen from the EUA Custody Account, the Programme Administrator may:
- (A) (at its sole and absolute discretion and is under no obligation to) attempt to recover some or all of such stolen EUAs (and such recovery may be attempted for any period of time up to, and including, the 30th Business Day following it becoming aware of the theft); and/or
- (B) on or prior to the 30th Business Day following its becoming aware of the theft, give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice a “**Theft Redemption Event Notice**”), and if it does give a Theft Redemption Event Notice, a “**Theft Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.

Unless the EUA Custodian confirms that there are no longer any Underlying EUAs to sell following such theft, any realisation of the Underlying EUAs by the EUA Disposal Agent in accordance with Condition 9(c) (*Liquidation of Underlying EUAs following an Early Redemption Commencement Date or Final Redemption Commencement Date*) shall be a realisation of the remaining Underlying EUAs.

- (vii) **EUA Custodian Redemption Event:** if the Programme Administrator determines that an EUA Custodian Bankruptcy/Breach Event has occurred and no successor or replacement has been appointed within 60 calendar days of the date of such EUA Custodian Bankruptcy/Breach Event, the Programme Administrator shall give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice an “**EUA Custodian Redemption Event Notice**”), and if it does give an EUA Custodian Redemption Event Notice, an “**EUA Custodian Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.
- (viii) **EUA Regulatory Redemption Event:** if the Programme Administrator determines (in its sole discretion and without regard to any related determination by any of the other parties or any action taken, omitted to be taken or suffered to be taken by any other person, including, without limitation, any creditor of the other parties) that there is a proposal to change, or that there has been an adoption of any change in, any applicable policies (including the EU emissions policy) or law or the electronic accounting systems impacting the Underlying EUAs

or the Union Registry after the Series Issue Date as a result of which it becomes, or will become, unlawful for the Issuer, the EUA Disposal Agent or the EUA Custodian to:

- (A) perform any absolute or contingent obligation to make a delivery in respect of the Underlying EUAs or any agreement entered into in connection with the Underlying EUAs;
- (B) receive or hold (or, in the case of the EUA Custodian, hold, manage and/or operate the EUA Custody Account on behalf of the Issuer, in respect of) the Underlying EUAs or to receive a delivery of EUAs; or
- (C) comply with any other material provision of any agreement entered into in connection with the Underlying EUAs,

the Programme Administrator shall give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice an “**EUA Regulatory Redemption Event Notice**”), and if it does give an EUA Regulatory Redemption Event Notice, an “**EUA Regulatory Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.

- (ix) **Compliance Phase Ineligibility Redemption Event:** if the Programme Administrator determines that, following an announcement, change in law or regulation or confirmation by the European Council or Commission, the Underlying EUAs in respect of a Series of EUA Linked Securities that were issued in a previous Compliance Phase will cease to be eligible for compliance with obligations under the current Compliance Phase or will not be eligible for compliance with obligations under a future Compliance Phase, the Programme Administrator may (but is not obliged to) give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice a “**Compliance Phase Ineligibility Redemption Event Notice**”), and if it does give a Compliance Phase Ineligibility Redemption Event Notice, a “**Compliance Phase Ineligibility Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.
- (x) **Abandonment of Scheme Redemption Event:** if the Scheme is, as a result of official written public pronouncement by the EU, no longer scheduled to proceed or is to be discontinued, the Programme Administrator shall give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice an “**Abandonment of Scheme Redemption Event Notice**”) and if it does give an Abandonment of Scheme Redemption Event Notice, an “**Abandonment of Scheme Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.
- (xi) **EUA Custody Accounts Closure Redemption Event:** if the EUA Custody Account is closed (or required to be closed) or the Registry Agreement is terminated and a replacement or successor account or agreement (as applicable) has not yet been opened or entered into, the Programme Administrator shall give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice an “**EUA Custody Accounts Closure Redemption Event Notice**”) and an “**EUA Custody Accounts Closure Redemption Event**” Early Redemption Event will occur on the Business Day following the date of the EUA Custody Accounts Closure Redemption Event Notice.
- (xii) **Issuer Call Redemption Event:** the Issuer may, on giving notice to the Transaction Parties and the Securityholders (such notice an “**Issuer Call Notice**”) elect to redeem all the EUA Linked Securities of a Series and designate an Early Redemption Commencement Date in

the Issuer Call Notice for such purposes, provided that the date designated as the Early Redemption Commencement Date shall not be earlier than the fifth Business Day following the date of the Issuer Call Notice. An Issuer Call Notice may not be withdrawn, and the Issuer shall be bound to redeem the EUA Linked Securities in accordance with the Issuer Call Notice. An “**Issuer Call Redemption Event**” Early Redemption Event will occur on the Early Redemption Commencement Date designated in the Issuer Call Notice.

- (xiii) **Materially Increased Costs Redemption Event:** if the Programme Administrator determines (in its sole discretion) that the costs to the Programme Administrator, the Calculation Agent, the EUA Custodian or the EUA Disposal Agent relating to the Programme or the relevant Series of EUA Linked Securities have materially increased (as compared to the Series Issue Date), the Programme Administrator may (but is not obliged to) give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice a “**Materially Increased Costs Redemption Event Notice**”), and if it does give a Materially Increased Costs Redemption Event Notice, a “**Materially Increased Costs Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.
- (xiv) **Reference Rate Redemption Event:** if a Reference Rate Event occurs and the Calculation Agent is unable to identify a Replacement Reference Rate pursuant to Condition 11(b) (*Replacement Reference Rate*) within 15 Business Days of the occurrence of such Reference Rate Event, the Programme Administrator may (but is not obliged to) give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed (such notice a “**Reference Rate Redemption Event Notice**”), and if it does give a Reference Rate Redemption Event Notice, a “**Reference Rate Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.
- (xv) **Sale/Transfer Breach Redemption Event:** if the Issuer or the Programme Administrator becomes aware that any EUA Linked Securities have been sold or otherwise transferred to any person in breach of (i) any of the selling restrictions set out in the section of this Base Prospectus titled “Subscription and Sale” or (ii) in the case of an Authorised Offeror that is not an Authorised Participant, the Authorised Offeror Terms (such EUA Linked Securities, the “**Affected Securities**”), the Issuer or the Programme Administrator, as applicable, may (but are not obliged to) give notice to the Transaction Parties and the Securityholder(s) holding Affected Securities that the Affected Securities are to be redeemed (such notice a “**Sale/Transfer Breach Redemption Event Notice**”), and if a Sale/Transfer Breach Redemption Event Notice is given, a “**Sale/Transfer Breach Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice. However, if the Securityholder holding Affected Securities furnishes the Issuer with evidence that there has been no such breach to the satisfaction of the Issuer (or the Programme Administrator on its behalf) prior to the relevant Underlying EUAs being liquidated, the Issuer will not redeem such EUA Linked Securities and such EUA Linked Securities shall not be treated as Affected Securities.
- (xvi) **Consolidation Redemption Event:** if the Issuer or the Programme Administrator becomes aware that the Issuer is, or would be if international accounting standards (“**IAS**”) applied, part of the same consolidated group for financial accounting purposes as a Securityholder, consisting of (1) a parent entity that prepares consolidated financial statements under Irish generally accepted accounting practice, IAS or an acceptable financial accounting standard and (2) all other entities which are related through ownership or control for the purpose of the preparation of the same consolidated financial statements, including any entity that is excluded from the same consolidated financial statements solely based on its small size, on

materiality grounds, or on the grounds that it is held for sale, where for these purposes “consolidated financial statements” means the financial statements prepared by an entity in accordance with an acceptable financial accounting standard, in which the assets, liabilities, income, expenses and cash flows of that entity, and of any entities in which it has a controlling interest are presented as those of a single economic unit and “an acceptable financial accounting standard” means International Financial Reporting Standards and the generally accepted accounting principles of Australia, Brazil, Canada, a member state of the European Union, an EEA state, Hong Kong (China), Japan, Mexico, New Zealand, the People’s Republic of China, the Republic of India, the Republic of Korea, Russia, Singapore, Switzerland, the United Kingdom and the United States of America, in respect of any EUA Linked Securities (such as EUA Linked Securities, the “**Affected Securities**”), the Issuer or the Programme Administrator, as applicable, may (but are not obliged to) give notice to the Transaction Parties and the Securityholder(s) holding Affected Securities that the Affected Securities are to be redeemed (such notice a “**Consolidation Redemption Event Notice**”) and, if a Consolidation Redemption Event Notice is given, a “**Consolidation Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.

- (xvii) **Threshold Level Redemption Event:** If the Value per EUA Linked Security is less than or equal to 20 per cent. of the Issue Price per EUA Linked Security on the Series Issue Date for three consecutive Valuation Days, the Programme Administrator shall give notice to the Issuer, the Transaction Parties and the Securityholders that all the EUA Linked Securities of the relevant Series are to be redeemed and a “**Threshold Level Redemption Event**” Early Redemption Event will occur on the Business Day following the date of such notice.

(c) Liquidation of Underlying EUAs following an Early Redemption Commencement Date or Final Redemption Commencement Date

- (i) Following an Early Redemption Commencement Date or the Final Redemption Commencement Date, the EUA Disposal Agent (acting as agent of the Issuer) shall, from the first day of the Redemption Disposal Period, realise the Underlying EUAs in a timely fashion during the Redemption Disposal Period in accordance with the terms of the relevant Agency Agreement and applicable laws.
- (ii) The Issuer has authorised and directed the EUA Custodian to deliver, on the Issuer’s behalf, the Underlying EUAs from the EUA Custody Account to, or to the order of, the EUA Disposal Agent at any time during the Redemption Disposal Period, to the extent necessary to effect the realisation of the Underlying EUAs.
- (iii) In realising the Underlying EUAs, the EUA Disposal Agent may take such steps as it, acting in a commercially reasonable manner, considers appropriate in order to effect an orderly realisation in a timely fashion (so far as is practicable in the circumstances and taking into account the number of Underlying EUAs to be realised) during the Redemption Disposal Period, and may effect such realisation at any time or from time to time during the Redemption Disposal Period and may do so in one transaction or in multiple transactions. The EUA Disposal Agent will not be liable to the Issuer or to the Trustee, the Securityholders or any other person merely because a higher price could have been obtained had all or part of the realisation been delayed or taken place at a different time or had the realisation not been effected in stages.
- (iv) The EUA Disposal Agent shall be permitted to deduct any fees, costs or expenses reasonably incurred in the realisation of the Underlying EUAs and any Taxes arising from or connected with any such realisation from the actual proceeds of the realisation and shall not be liable to

account for anything except the actual proceeds of any such realisation received by it after such deductions.

- (v) Subject as provided above, in carrying out any realisation, the EUA Disposal Agent will act in good faith and a commercially reasonable manner and will apply its Global Best Execution and Order Handling Policy.
- (vi) To the extent any Taxes arise, this might reduce the Early Redemption Amount or Final Redemption Amount, as applicable.
- (vii) The EUA Disposal Agent shall arrange for payment of the Net Sale Proceeds to the relevant Cash Account no later than on or around the day falling two Business Days prior to the Early Redemption Date or the Scheduled Maturity Date, as applicable.

(d) *Publication of Early Redemption Amount or Final Redemption Amount*

The Issuer or the Calculation Agent (or an agent on its behalf) will, on or prior to the Early Redemption Date or the Scheduled Maturity Date, publish the determination of the Early Redemption Amount or the Final Redemption Amount (as applicable) (which shall include publication of the price, number and date of each sale of Underlying EUAs during the Redemption Disposal Period and the determination of the Average EUA Sale Price) made available at www.ubs.com/ETF (or such other website notified by the Issuer for such Series of EUA Linked Securities from time to time).

(e) *Extension of Redemption Disposal Period following EUA Disruption Event*

If, on any day during the Redemption Disposal Period, the Programme Administrator (after consultation with the EUA Disposal Agent and the Calculation Agent) determines that an EUA Disruption Event is subsisting such that the relevant Underlying EUAs cannot be liquidated (or it is not practicable to liquidate such Underlying EUAs), then the Programme Administrator may (but is not obliged to) give notice to the Issuer, the Transaction Parties and the Securityholders of such, in which case:

- (i) the end of the Redemption Disposal Period shall be postponed for a period of up to 90 Business Days and, if applicable, the Scheduled Maturity Date shall be postponed until the third Business Day following the final day of the Final Redemption Disposal Period. If, during such period, the EUA Disruption Event ceases to subsist, the EUA Disposal Agent shall liquidate the relevant Underlying EUAs in accordance with the Conditions and the Agency Agreement; and
- (ii) if the EUA Disruption Event continues to subsist at the end of the Redemption Disposal Period (as postponed in accordance with paragraph (i) above), the Programme Administrator will determine, acting in good faith and a commercially reasonable manner:
 - (A) the manner in which the Early Redemption Amount or the Final Redemption Amount (as applicable) shall be satisfied (which may, for the avoidance of doubt, result in an Early Redemption Amount or Final Redemption Amount (as applicable) of zero being determined); and
 - (B) any further action that is required in respect of any Underlying EUAs that have not been liquidated.

For the avoidance of doubt, no Securityholder shall be entitled to any additional payment whether on account of interest or otherwise on the EUA Linked Securities in connection with any postponement of the payment of the Early Redemption Amount or the Final Redemption Amount (as applicable).

10 Valuation Disruption Events and Suspension/Postponement

(a) *Valuation Disruption Events*

The Programme Administrator (after consultation with the Calculation Agent) may (but is not obliged to), with respect to a Series of EUA Linked Securities and any Scheduled Valuation Day, determine that one or more of the following valuation disruption events (each, a “**Valuation Disruption Event**”) has occurred or exists:

- (i) **EUA Reference Price Source Disruption:** the EUA Reference Price is not determined and published by the EUA Reference Price Source within the time period that such rate is customarily determined and displayed (unless the Calculation Agent agrees to use such rate notwithstanding that it was determined and/or published later than is customary);
- (ii) **Force Majeure Disruption Event:** it is impossible for the Calculation Agent to perform its obligations under the Agency Agreement that are required to be performed for the EUA Entitlement per EUA Linked Security and the Value per EUA Linked Security to be determined in respect of such Scheduled Valuation Day as a result of an event or circumstance beyond the control of the Calculation Agent, including (but not limited to) a technical or operational issue; or
- (iii) **Other Valuation Disruption Event:** any other event which disrupts or impairs the ability of the Calculation Agent to determine the EUA Entitlement per EUA Linked Security or the Value per EUA Linked Security (as determined by the Calculation Agent in its sole discretion).

(b) *Suspension of Subscriptions/Buy-Backs*

If the Programme Administrator (after consultation with the Calculation Agent) determines that a Valuation Disruption Event has occurred or exists with respect to any Scheduled Valuation Day, the Programme Administrator may (but shall not be obliged to) give notice of the suspension of the issuance and/or buy-back of EUA Linked Securities (depending on the activity affected by the Valuation Disruption Event) to the Issuer (copied to each Transaction Party and each Authorised Participant) specifying the Valuation Disruption Event which has occurred or is existing (such notice a “**Valuation Disruption Event Suspension Notice**”). The Valuation Disruption Event Suspension Notice may state that the suspension is for a single day or will continue for as long as the Valuation Disruption Event continues (in which case, the suspension period will end when the Programme Administrator notifies the Transaction Parties that the Issuer shall recommence the issue and buy-back of EUA Linked Securities).

Neither the Calculation Agent nor the Programme Administrator is under any obligation to monitor whether or not a Valuation Disruption Event has occurred or is continuing with respect to any Scheduled Valuation Day and shall have no liability to the Issuer, any Securityholder or any other person for any determination that it does or does not make.

(c) *Postponement of Early Redemption Commencement Date and Early Redemption Date or Final Redemption Commencement Date and Scheduled Maturity Date*

- (i) If a Valuation Disruption Event has occurred or exists with respect to any Early Redemption Commencement Date or Final Redemption Commencement Date (as applicable) and the Programme Administrator (after consultation with the Calculation Agent) determines that the relevant Valuation Disruption Event would disrupt the actions required to be performed by the Issuer or a relevant Transaction Party in connection with the redemption of the EUA Linked Securities, then the Early Redemption Commencement Date or Final Redemption Commencement Date (as applicable) shall be postponed until the first following Scheduled Valuation Day that is not a Disrupted Day and, if applicable, the Scheduled Maturity Date shall be postponed until the third Business Day following the final day of the Final Redemption

Disposal Period, provided that if no such Scheduled Valuation Day has occurred on or before the 90th Scheduled Valuation Day following the scheduled Early Redemption Commencement Date or Final Redemption Commencement Date (as applicable), then that 90th Scheduled Valuation Day shall be deemed to be the Early Redemption Commencement Date or Final Redemption Commencement Date (as applicable) and the Programme Administrator will determine, acting in good faith and a commercially reasonable manner:

- (A) the manner in which the Early Redemption Amount or Final Redemption Amount (as applicable) shall be satisfied (which may, for the avoidance of doubt, result in an Early Redemption Amount or Final Redemption Amount (as applicable) of zero being determined); and
- (B) any further action that is required in respect of any Underlying EUAs that have not been liquidated.

For the avoidance of doubt, no Securityholder shall be entitled to any additional payment whether on account of interest or otherwise on the EUA Linked Securities in connection with any postponement of the payment of the Early Redemption Amount or Final Redemption Amount (as applicable).

- (ii) If any day in the Redemption Disposal Period is a Disrupted Day, then the Programme Administrator may, by notice to the Issuer, the Transaction Parties and the Securityholders, postpone the Early Redemption Date or Scheduled Maturity Date (as applicable) until the Programme Administrator determines that either the relevant Valuation Disruption Event has ceased or there is no reasonable likelihood of the relevant Valuation Disruption Event ceasing (which determination the Programme Administrator shall notify to the Issuer, the Transaction Parties and the Securityholders). In such case, the Redemption Disposal Period shall be deemed extended by the same number of days as the Early Redemption Date or Scheduled Maturity Date (as applicable) has been postponed by. If a Valuation Disruption Event is still continuing on the postponed Early Redemption Date or Scheduled Maturity Date (as applicable), the Programme Administrator will determine, acting in good faith and a commercially reasonable manner:

- (A) the manner in which the Early Redemption Amount or Final Redemption Amount (as applicable) shall be satisfied (which may, for the avoidance of doubt, result in an Early Redemption Amount or Final Redemption Amount (as applicable) of zero being determined); and
- (B) any further action that is required in respect of any Underlying EUAs that have not been liquidated.

For the avoidance of doubt, no Securityholder shall be entitled to any additional payment whether on account of interest or otherwise on the EUA Linked Securities in connection with any postponement of the payment of the Early Redemption Amount or Final Redemption Amount (as applicable).

11 Successor Price Source, Replacement Price Source and related Amendments

(a) Successor Reference Rate and Successor Price Source

If on any day the Calculation Agent determines that:

- (i) a Reference Rate has been replaced by a successor reference rate acceptable to the Calculation Agent (in circumstances other than where there has been a Reference Rate Event); or

- (ii) a Price Source relating to a Reference Rate no longer displays such Reference Rate and such Reference Rate is instead displayed on a replacement or successor price source,

then, in either case, the Calculation Agent will notify the Issuer and the Securityholders of such determination (copied to each Transaction Party and each Authorised Participant) (such notice a “**Successor Notice**”), and such successor reference rate (the “**Successor Reference Rate**”) or successor price source (as the case may be) shall, with effect from the date specified in the Successor Notice, be deemed to be such Reference Rate or the relevant Price Source relating to such Reference Rate (as the case may be) for the purposes of the EUA Linked Securities, provided that such succession shall not affect any calculations or determinations already made prior to the effective date of such succession.

(b) Replacement Reference Rate

If the Calculation Agent determines that a Reference Rate Event has occurred in respect of a Reference Rate, then:

- (i) the Calculation Agent shall attempt to identify a Replacement Reference Rate as soon as reasonably practicable and, where applicable, shall attempt to identify a replacement Price Source for such Replacement Reference Rate;
- (ii) the Calculation Agent shall determine whether any adjustments need to be made to the Replacement Reference Rate in order to reduce or eliminate, to the extent reasonably practicable, any increase or reduction value that will be received by the Securityholders as a result of replacement of the Reference Rate with the Replacement Reference Rate (an “**Adjustment Spread**”);
- (iii) if the Calculation Agent identifies a Replacement Reference Rate pursuant to paragraph (i) above and determines an Adjustment Spread pursuant to paragraph (ii) above:
 - (A) the Calculation Agent shall determine the day from which the Replacement Reference Rate shall replace the Reference Rate and such Replacement Reference Rate (subject to any Adjustment Spread) shall replace the Reference Rate from such date and the Price Source for such Replacement Reference Rate shall be that determined by the Calculation Agent; and
 - (B) the Calculation Agent shall deliver a notice to the Issuer and the Securityholders (copied to each Transaction Party and each Authorised Participant) (i) of its determination that a Reference Rate Event has occurred in respect of a Reference Rate and (ii) which specifies any Replacement Reference Rate, any Adjustment Spread and any related amendments.

Neither the Issuer nor any Transaction Party shall have any duty to monitor, enquire or satisfy itself as to whether any Reference Rate Event has occurred.

Notwithstanding the above, the Calculation Agent may determine that in its opinion no such replacement of the Reference Rate is needed on the basis that such replacement would not have a material benefit to the ongoing operation of the EUA Linked Securities of such Series.

(c) Amendments

The Issuer may, without the consent of the Securityholders, the Trustee or any other person, make such amendments, adjustments, replacements or restatements to the Conditions, to any Final Terms and to any Transaction Document as it determines necessary or desirable to (i) reflect or detail the replacement of the Reference Rate with the Successor Reference Rate or the Replacement Reference Rate (as adjusted by the Adjustment Spread), as applicable, (ii) account for the effect of the replacement of the Reference Rate with the Successor Reference Rate or the

Replacement Reference Rate (as adjusted by the Adjustment Spread), as applicable, and/or (iii) to preserve as nearly as practicable the economic equivalence of the EUA Linked Securities before and after the replacement of the Reference Rate with the Successor Reference Rate or the Replacement Reference Rate (as adjusted by the Adjustment Spread), as applicable, provided that any such amendment, adjustment, replacement or restatement which has the effect of exposing the Programme Administrator, the EUA Custodian or the EUA Disposal Agent to any liability, imposing more onerous obligations upon the Programme Administrator, the EUA Custodian, the EUA Disposal Agent, exposing the Programme Administrator, the EUA Custodian or the EUA Disposal Agent to any additional duties or responsibilities or reducing or amending the protective provisions afforded to the Programme Administrator, the EUA Custodian or the EUA Disposal Agent in these Conditions or any Transaction Document shall not take effect unless and until the Programme Administrator, the EUA Custodian or the EUA Disposal Agent (as the case may be) have provided their prior written consent. The Programme Administrator shall notify Securityholders and the Transaction Parties of any such amendments in accordance with Condition 20 (*Notices*).

12 Payments and Deliveries, Calculations, Agents and Records

(a) Taxes

(i) *Payment Net of Taxes*

All payments in respect of the EUA Linked Securities shall be made net of and after allowance for any withholding or deduction for, or on account of, any Taxes. In the event that any withholding or deduction for, or on account of, any Tax applies to payments in respect of the EUA Linked Securities, the Securityholders will be subject to such Tax or reduction or deduction and shall not be entitled to receive amounts or assets to compensate for any such Tax or reduction or deduction. No Event of Default shall occur as a result of any such withholding or reduction or deduction.

(ii) *VAT on deliveries*

For the avoidance of doubt, any foreign VAT payable in respect of the transfer of EUAs (i) by an Authorised Participant to the Issuer by way of sale at the time of the subscription for EUA Linked Securities or (ii) by the Issuer by way of sale to an Authorised Participant or a Non-Authorised Participant Securityholder (as applicable) at the time of the buy-back of EUA Linked Securities shall be borne, in each case, by such Authorised Participant or Non-Authorised Participant Securityholder (as applicable) in accordance with the relevant Authorised Participant Agreement.

(b) Payments and Deliveries

- (i) For as long as the EUA Linked Securities are represented by a Registered Global Certificate deposited with a Relevant Clearing System and held by a common depository or nominee, as applicable, on behalf of the Relevant Clearing System(s), the obligations of the Issuer under the Conditions to make payments in respect of the EUA Linked Securities will be discharged by payment to, or to the order of, the holder of the Registered Global Certificate, subject to and in accordance with the terms of such Registered Global Certificate and provided that any presentation of the Registered Global Certificate for such purpose is made outside the United States of America. Each of the persons shown in the records of a Relevant Clearing System as owning EUA Linked Securities (as determined at the close of business on the Clearing System Business Day prior to the due date for payment or such other date notified by the Issuer to Securityholders in accordance with Condition 20 (*Notices*)) represented by such Registered Global Certificate must look solely to the Relevant Clearing System for his share of any payment made by the Issuer to or to the order of the holder of

the Registered Global Certificate. Where “**Clearing System Business Day**” means each day on which Euroclear and Clearstream, Luxembourg and/or the Relevant Clearing System are open for business.

Payments made to any person shown in the records of a Relevant Clearing System as owning any EUA Linked Security represented by the Registered Global Certificate shall be subject to and made in accordance with the rules of that Relevant Clearing System.

If any payments are made in respect of EUA Linked Securities represented by a Registered Global Certificate, a record of each such payment shall be endorsed by or on behalf of the Issuing and Paying Agent on a schedule thereto (such endorsement being *prima facie* evidence that the payment in question has been made).

- (ii) In the case of EUA Linked Securities represented by Definitive Registered Securities Certificates, payment shall be made upon surrender of the relevant Definitive Registered Securities Certificates at the specified office of the relevant Issuing and Paying Agent or Registrar by cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to, an account denominated in such currency with a bank in the principal financial centre for such currency nominated by such holder, as the case may be.

(c) Payments and Deliveries Subject to Fiscal Laws

All payments (and deliveries of EUAs on buy-back) in respect of the EUA Linked Securities will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment or delivery (as applicable) 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 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

No commission or expenses shall be charged to the Securityholders in respect of such payments or deliveries (as applicable) and no payments or deliveries will be made at any office of the Issuing and Paying Agent in the United States of America.

(d) Calculations and Determinations

- (i) The Calculation Agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Securityholder, any other Transaction Party or any other person for any Loss incurred by any such person that arises out of or in connection with the performance by the Calculation Agent of its obligations under the Relevant Provisions, save to the extent that such Loss arises by reason of acts or omissions constituting bad faith, fraud, gross negligence or wilful misconduct of the Calculation Agent.
- (ii) The Programme Administrator shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Securityholder, any other Transaction Party or any other person for any Loss incurred by any such person that (x) arises out of or in connection with the performance by the Programme Administrator of its obligations under the Relevant Provisions, save to the extent that such Loss arises by reason of acts or omissions constituting bad faith, fraud or gross negligence of the Programme Administrator (any such act or omission, a “**Programme Administrator Breach**”); or (y) is caused by events beyond the reasonable control of the Programme Administrator, including any malfunction, interruption or error in the transmission of information caused by any machine or systems or interception of communication facilities, abnormal operating conditions or events of force majeure.

- (iii) If the Programme Administrator would, but for the operation of this Condition 12(d)(iii) (*Calculations and Determinations*), be held liable for any Loss arising as the result of a Programme Administrator Breach, the Programme Administrator shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Programme Administrator Breach results:
 - (A) from the Programme Administrator complying with any specific instruction or express direction from any director of the Issuer (whether received in electronic form or otherwise);
 - (B) solely and directly from either the failure by any other Transaction Party to provide any notice, instruction or direction which such Transaction Party is required or permitted to give under the Conditions or any relevant Transaction Document or a delay in the delivery by any other Transaction Party of any notice, instruction or direction which such Transaction Party is required or permitted to give to the Calculation Agent and/or the Programme Administrator under the Conditions or any relevant Transaction Document; or
 - (C) solely and directly from the reliance by the Programme Administrator upon a rate, amount, quotation, value, other calculation or determination or other information which is made or provided by another Transaction Party in accordance with the Conditions and the terms of any relevant Transaction Document and notified to the Programme Administrator pursuant to the Conditions and the relevant Transaction Document,

provided that nothing in this Condition 12(d)(iii) (*Calculations and Determinations*) shall be deemed to exclude any liability that cannot be excluded pursuant to applicable law or regulation.

- (iv) The determination by the Calculation Agent or the Programme Administrator (as applicable) of any amount, rate, value or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised under the Relevant Provisions (or any other Transaction Document to which the Programme Administrator or Calculation Agent (as applicable) is a party) are required, under the terms of the Agency Agreement or Programme Administrator Agreement (as the case may be), to be made in good faith and shall (in the absence of manifest error) be final and binding on the Issuer, the Securityholders and the Transaction Parties.

(e) Calculation Agent and Programme Administrator

- (i) If (I) the appointment of the Calculation Agent is terminated in connection with a Calculation Agent Bankruptcy Event or (II) the Calculation Agent resigns or its appointment is terminated and the Calculation Agent fails to appoint a replacement Calculation Agent by the date falling 60 calendar days after the date the resignation or termination becomes effective, it shall notify the Programme Administrator of the same and the Programme Administrator may (but is not obliged to) provide a Service Provider Redemption Event Notice and a Service Provider Redemption Event Early Redemption Event may occur in accordance with Condition 9(b)(ii) (*Service Provider Redemption Event*).
- (ii) Neither the Calculation Agent nor the Programme Administrator has any obligation towards or relationship of agency or trust with any Securityholder.
- (iii) The Programme Administrator shall not have any duties or responsibilities except those expressly set forth in the Relevant Provisions and no implied or inferred duties or obligations of any kind will be read into the relevant Programme Administrator Agreement against or on

the part of the Programme Administrator. The Programme Administrator will not, and will not be deemed to, assume or be liable for the obligations or duties of the Issuer or any other person under the Conditions or any Transaction Document.

- (iv) The Calculation Agent and the Programme Administrator (as applicable) may consult, on any legal matter which it believes in good faith requires such consultation, any legal or other professional advisers reasonably selected by it, who may be employees of or advisers to the Issuer, and it will not be liable in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with the opinion of such adviser(s).
- (v) Neither the Calculation Agent nor the Programme Administrator will incur any liability to any person in acting upon any EUA Linked Security, signature, or other document or information from any source reasonably believed by it to be genuine and believed by it to have been signed or otherwise given or disseminated by the proper party or parties.
- (vi) The Calculation Agent and the Programme Administrator, respectively, whether or not acting for themselves, may: (i) acquire, hold or dispose of any EUA Linked Security or other security (or any interest therein) of the Issuer or any other person; (ii) enter into or be interested in any contract or transaction with any such person, and/or (iii) act on, or as depository, trustee or agent for, any committee or body of holders of securities of any such person, in each case with the same rights as it would have had if that Calculation Agent or Programme Administrator, as applicable, were not a Calculation Agent or Programme Administrator, as applicable, under the Agency Agreement or Programme Administrator Agreement, as applicable, and need not account for any profit.
- (vii) Save as otherwise provided in the Relevant Provisions, neither the Calculation Agent nor the Programme Administrator shall be required to expend or risk its own funds or otherwise to incur any liability, financial or otherwise if it shall have reasonable grounds for believing that repayment of such funds or the provision of an indemnity satisfactory to it against such risk or liability is not assured to it.
- (viii) Neither the Calculation Agent nor the Programme Administrator is bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document received by it from the Issuer or any other Transaction Party.
- (ix) To the extent that the Calculation Agent or the Programme Administrator requires clarification of its duties pursuant to the Relevant Provisions, the Calculation Agent or the Programme Administrator (as applicable) is entitled to seek instructions from, and to rely entirely and act on the instructions received from, the Issuer and, without prejudice to the limitation of liability and indemnity provisions (and, in the case of the Programme Administrator, the standard of care provisions) in the Agency Agreement or the Programme Administrator Agreement (as applicable), neither the Calculation Agent nor the Programme Administrator (as applicable) will be liable for any action it takes in accordance with such instructions.
- (x) If the Issuer expressly instructs the Programme Administrator to take any action not contemplated by the Relevant Provisions, the Programme Administrator will not, without prejudice to the standard of care, limitation of liability and indemnity provisions in the Agency Agreement or the Programme Administrator Agreement (as applicable), be liable for any action it takes on behalf of the Issuer in accordance with such instructions.
- (xi) Nothing in the Agency Agreement or in any other Transaction Document shall require the Calculation Agent or the Programme Administrator (as applicable) to take any action or refrain from taking any action if the Calculation Agent or the Programme Administrator (as applicable) reasonably considers that the same would be contrary to any applicable law,

regulation or requirement of any central bank or government or other regulatory authority affecting it.

- (xii) The Programme Administrator shall not have any obligation to notify anyone of the execution of the relevant Constituting Instrument or any other Transaction Document or do anything to find out if an Event of Default, a Potential Event of Default or an Early Redemption Event (or any event which with the passing of time or the giving of a notice would constitute an Early Redemption Event) has occurred in relation to the relevant Series of EUA Linked Securities or if the Security under the Trust Deed has become enforceable. The Programme Administrator shall not be responsible for monitoring or supervising the performance by any other person (other than itself) of its obligations to the Issuer and may assume these are being so performed unless and until it has actual knowledge to the contrary.
- (xiii) The Programme Administrator shall not be responsible for default by the Issuer or any other Transaction Party, or any agent thereof, in the performance of its respective obligations under the Conditions or any Transaction Document.

(f) *Appointment of Agents and Service Providers*

Save as provided below, the Agents act solely as agents of the Issuer. The Agents do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer reserves the right at any time without the consent of the Trustee or the Securityholders to vary or terminate the appointment of the Issuing and Paying Agent, the EUA Disposal Agent, the Account Bank, the EUA Custodian, the Programme Administrator or the Calculation Agent. Without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection with the occurrence of an insolvency or similar event or proceedings in the relevant Transaction Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent, (iii) an Account Bank, (iv) an EUA Disposal Agent, (v) an EUA Custodian in Luxembourg, (vi) a Registrar, (vii) a Transfer Agent, (viii) a Programme Administrator, (ix) one or more Authorised Participants and (x) such other agents as may be required by any stock exchange on which the EUA Linked Securities may be listed, and in the case of (i)-(vii) and (x), as approved by the Trustee. Notice of any change of Agent or any change to the specified office of an Agent shall promptly be given to the Securityholders by the Issuer in accordance with Condition 20 (*Notices*).

(g) *Business Day Convention and Non-Payment Business Days*

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

(h) *Determinations by the Issuer*

The Issuer shall make any determinations that it is required to make and exercise any discretions that it may have pursuant to these Conditions in good faith and a commercially reasonable manner.

(i) *Rounding*

- (i) Any amounts of cash payable:
 - (A) to the Issuer shall be rounded up to the nearest EUR 0.01; and
 - (B) by the Issuer shall be rounded down to the nearest EUR 0.01.
- (ii) Any number of EUAs to be delivered:
 - (A) to the Issuer shall be rounded up to the nearest whole number of EUAs; and

- (B) by the Issuer shall be rounded down to the nearest whole number of EUAs.
- (iii) The Issuer (or the Calculation Agent on its behalf) may from time to time adjust such methodology, including to reflect changes in rounding conventions in the trading of EUAs or payments in the Specified Currency.
- (iv) The EUA Entitlement per EUA Linked Security shall be calculated to nine decimal places with 0.000000005 Underlying EUAs rounded upwards and subject to a floor of zero, provided that such methodology may be adjusted from time to time provided that the Programme Administrator reasonably determines that such change of methodology would not be materially prejudicial to Securityholders.
- (v) The number of Underlying EUAs to be liquidated by the EUA Disposal Agent, on behalf of the Issuer, on any relevant date pursuant to Condition 9(c) (*Liquidation of Underlying EUAs following an Early Redemption Commencement Date or Final Redemption Commencement Date*) or Condition 5(e) (*Total Expense Ratio*) may be rounded on such rounding basis as may be agreed between the EUA Disposal Agent and the Calculation Agent from time to time, in accordance with the Agency Agreement.

13 Prescription

Claims against the Issuer for payment under the Conditions in respect of the EUA Linked Securities shall be prescribed and become void unless made within 10 years from the date on which the payment of the relevant amount in respect of the EUA Linked Securities first became due or (if any amount payable was improperly withheld or refused) the date on which payment in full of the amount outstanding was made or (if earlier) the date seven calendar days after that on which notice is duly given to the Securityholders that, upon surrender of the Definitive Registered Securities Certificate(s) being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

14 Events of Default

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its discretion may, or shall, if so directed in writing by holders of at least one-fifth in number of the EUA Linked Securities then outstanding or if so directed by an Extraordinary Resolution (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer (copied to each Transaction Party) (such notice an “**Event of Default Redemption Notice**”) that the EUA Linked Securities shall become due and payable at their Early Redemption Amount on the Early Redemption Date:

- (i) the Issuer has defaulted for more than 14 calendar days in the payment of any sum or delivery of any EUA due in respect of the EUA Linked Securities of the relevant Series or any of them;
- (ii) the Issuer does not perform or comply with any one or more of its obligations under the EUA Linked Securities or the Trust Deed, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- (iii) an Issuer Insolvency Event occurs in relation to the relevant Series.

The Issuer shall, as soon as reasonably practicable after receipt of any Event of Default Redemption Notice, give notice thereof to the Securityholders in accordance with Condition 20 (*Notices*).

15 Enforcement

(a) **Enforcement of Security**

The Security over the Mortgaged Property shall become enforceable upon the occurrence of an Event of Default.

Prior to taking any steps to enforce the Security in respect of a Series, the Trustee shall give notice in writing to the Issuer and each Transaction Party of the relevant Series of EUA Linked Securities (such notice, an “**Enforcement Notice**”) that (i) the Trustee intends to enforce the Security in respect of a Series and (ii) the EUA Disposal Agent is to cease to effect any further liquidation of the relevant Underlying EUAs (if such liquidation is taking place), save that any transaction entered into in connection with the liquidation on or prior to the date such Enforcement Notice was given shall be settled and the EUA Disposal Agent shall take any steps and actions necessary to settle such transaction and/or that are incidental thereto. On receipt of such Enforcement Notice, the Issuer shall notify the Securityholders in accordance with Condition 20 (*Notices*) of the same.

(b) **Realisation of Security following Enforcement**

At any time after the Security has become enforceable, the Trustee may, at its discretion, and shall, if so directed in writing by (i) holders of at least one-fifth in number of the EUA Linked Securities of the relevant Series then outstanding or (ii) an Extraordinary Resolution of the Securityholders, in each case subject to it having been pre-funded and/or secured and/or indemnified to its satisfaction, enforce the Security constituted under the Trust Deed in accordance with the Trust Deed.

To do this, it may, at its discretion, (i) enforce, terminate and/or realise any relevant Transaction Document over which rights have been granted under the Security in accordance with its or their terms, and/or take action against the relevant Obligor(s) and/or (ii) take possession of and/or realise all or part of the Mortgaged Property over which the Security shall have become enforceable and may, in its discretion, sell, call in, collect and convert into money all or part of the Mortgaged Property in such manner and on such terms as it thinks fit (and, in respect of the Mortgaged Property subject to the Luxembourg Law Security, any enforcement method permissible under the law of 5 August 2005 on financial collateral arrangements, as amended from time to time, and in accordance with Luxembourg Law Security), in each case without any liability as to the consequence of such step, action or proceeding and without having regard to the effect of such step, action or proceeding on individual Securityholders or Secured Creditors.

The Trustee may, in writing, appoint a receiver over all or part of the Mortgaged Property relating to the EUA Linked Securities over which any Security shall have become enforceable and may remove any receiver so appointed and appoint another in its place. The Trustee shall not be obliged or required to take any proceeding, action or step which may involve it in incurring any personal liability or expense unless pre-funded and/or secured and/or indemnified to its satisfaction.

The powers conferred on the Trustee pursuant to the Trust Deed shall be additional to those conferred by the Trustee Act 2000 of England and Wales.

(c) **Trust Deed**

Pursuant to the terms of the Trust Deed, only the Trustee may, at its discretion and without further notice, take such action or step or institute such proceedings against the Issuer as it may think fit to enforce the rights of the holders of the EUA Linked Securities against the Issuer whether the same arise under general law, the Trust Deed, the EUA Linked Securities and any other Transaction Document or otherwise, but it need not take any such action or step or institute proceedings unless (a) in accordance with the terms of the Trust Deed, the Trustee is so directed by an Extraordinary Resolution or in writing by holders of at least one-fifth in number of the EUA Linked Securities then outstanding and (b) it is secured and/or pre-funded and/or indemnified to its satisfaction. None of

the holders of the EUA Linked Securities shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable time and such failure is continuing.

Pursuant to the terms of the Trust Deed, only the Trustee may enforce the Security over the Mortgaged Property in accordance with the Trust Deed and (other than as permitted by the Trust Deed and the Conditions) only the Trustee may, at its discretion and without further notice, take such action or step or institute such proceedings against the Issuer as it may think fit to enforce the Security over the Mortgaged Property, but it need not take any such action or step or institute such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or in writing by holders of at least one-fifth in number of the relevant Series of EUA Linked Securities then outstanding and (b) it shall have been secured and/or pre-funded and/or indemnified to its satisfaction. None of the Secured Creditors, the Securityholders or the other Transaction Parties shall be entitled to proceed directly against the Issuer in respect of the Trust Deed unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable time and such failure is continuing. The Trustee, the Securityholders, the Secured Creditors and the Transaction Parties acknowledge and agree that only the Trustee may enforce the Security over the Mortgaged Property in accordance with, and subject to the terms of, the Trust Deed.

The Trustee shall in no circumstances be obliged to take any action, step or proceeding that would involve any personal liability or expense without first being indemnified and/or secured and/or pre-funded to its satisfaction whether pursuant to the Trust Deed or otherwise.

16 Application of Mortgaged Property and Proceeds of Enforcement of Security

In respect of a Series of EUA Linked Securities, (i) following an Early Redemption Commencement Date or Scheduled Maturity Date (as applicable) but prior to the Security becoming enforceable, the Issuer (or the Calculation Agent acting on behalf of the Issuer) shall apply the proceeds of realisation of the Underlying EUAs, or (ii) at any time after the Security has become enforceable, the Trustee shall (subject to the provisions of the relevant Trust Deed) apply the Mortgaged Property and proceeds derived from the realisation of the Mortgaged Property (whether by way of liquidation or enforcement) as follows:

- (i) first, in payment or satisfaction of the Issuer's share of any taxes owing by it;
- (ii) secondly, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable to the Trustee, Appointee or any receiver under or pursuant to the Trust Deed and/or any other Transaction Document (including, without limitation, any Taxes (including any applicable VAT) required to be paid by the Trustee (other than any income, corporation or similar tax in respect of the Trustee's remuneration), the costs of enforcing or realising all or some of the Security and the Trustee's remuneration);
- (iii) thirdly, in payment or satisfaction of the Series Overheads in respect of the EUA Linked Securities;
- (iv) fourthly, in payment of any amounts owing to the Issuing and Paying Agent for reimbursement in respect of proper payment of principal made to the Securityholders;
- (v) fifthly, on a *pari passu* basis, in payment of any fees, expenses or other amounts due to (I) the Issuing and Paying Agent, the Calculation Agent, the Transfer Agent and the EUA Disposal Agent, pursuant to the Agency Agreement (II) the Programme Administrator pursuant to the Programme Administrator Agreement, (III) the Account Bank pursuant to the Account Bank Agreement, (IV) any Authorised Participant under an Authorised Participant Agreement and (V) the EUA Custodian pursuant to the EUA Custody Agreement, in each case to the extent they relate to the relevant Series of EUA Linked Securities;

- (vi) sixthly, in payment of any amounts owing to the Securityholders by the Issuer *pari passu* and rateably; and
- (vii) seventhly, in payment of the balance (if any) to the Issuer.

17 Limited Recourse and Non-Petition

In respect of a Series of EUA Linked Securities, the Transaction Parties and the Securityholders shall have recourse only to the Mortgaged Property in respect of the EUA Linked Securities of such Series, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Mortgaged Property of such Series (whether by way of liquidation or enforcement) and application of available cash sums as provided in Condition 16 (*Application of Mortgaged Property and Proceeds of Enforcement of Security*) and the Trust Deed (and/or in the case of a buy-back, following delivery of EUAs (as applicable)), any outstanding claim against the Issuer in respect of the Secured Obligations remains unpaid (or unsatisfied due to non-delivery of all or a portion of the relevant number of EUAs in the case of buy-back)), then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. None of the Transaction Parties, the Securityholders or any other person acting on behalf of any of them shall be entitled to take any steps against (i) any of the Issuer's officers, shareholders, corporate service providers or directors or (ii) following extinguishment in accordance with this Condition 17 (*Limited Recourse and Non-Petition*), the Issuer to recover any further sum (or assets) in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum (or assets). It is expressly agreed and understood that the EUA Linked Securities and the Transaction Documents are corporate obligations of the Issuer, each party agrees that no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in the EUA Linked Securities or any Transaction Document or implied therefrom, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements, either at law or by statute or constitution of every such shareholder, officer, agent, employee or director is hereby deemed expressly waived by the Transaction Parties and the Securityholders.

None of the Transaction Parties, the Securityholders or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, rescue process, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property (i) attributable to any other securities issued by the Issuer (save for any further securities which form a single series with the EUA Linked Securities) or (ii) not attributable to any particular Series.

The provisions of this Condition 17 (*Limited Recourse and Non-Petition*) shall survive notwithstanding any redemption of the relevant Series of EUA Linked Securities or the termination or expiration of any Transaction Document.

18 Meetings of Securityholders, Modification, Waiver, Substitution and Restrictions

(a) Meetings of Securityholders

In accordance with the terms of the Trust Deed, a meeting of Securityholders may be convened by the Issuer or the Trustee at any time during the term of the EUA Linked Securities. The quorum requirement for a meeting and the voting arrangements are described in the Trust Deed.

The special quorum provisions described in the Trust Deed shall apply to any meeting and Extraordinary Resolution relating to any proposal: (i) to amend the dates of redemption of the EUA Linked Securities; (ii) to vary any method of, or basis for, calculating the Final Redemption Amount or the Early Redemption Amount; (iii) to vary the currency or currencies of payment or denomination

of the EUA Linked Securities; (iv) to take any steps that, as specified in the Trust Deed, may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply; (v) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution; (vi) to modify the provisions of the Trust Deed concerning the special quorum provisions; or (vii) to modify certain provisions of Condition 6 (*Security*).

Notwithstanding anything to the contrary in these Conditions, for the avoidance of doubt, neither the approval of Securityholders by way of an Extraordinary Resolution of Securityholders or otherwise or the consent of the Trustee is required (without limitation) for:

- (i) the transfer of EUAs to an Authorised Participant or a Non-Authorised Participant Securityholder (as applicable) in accordance with Condition 8(b) (*Buy-Back of EUA Linked Securities from Authorised Participants*) or Condition 8(c) (*Buy-Back of EUA Linked Securities from Non-Authorised Participant Securityholders*) (as applicable) in connection with any buy-back and the related release of Security and any other circumstance in which assets may be released from the security as provided in Condition 6 (*Security*) or in the Trust Deed;
- (ii) any change to the Total Expense Ratio at any time;
- (iii) the termination of any appointment of an Agent or any appointment of an additional or replacement Transaction Party provided such appointment or termination thereof or replacement is effected in accordance with the Conditions;
- (iv) the substitution of the Reference Rate with a Successor Reference Rate, or the replacement of a Reference Rate or Price Source, or any related activities pursuant to these Conditions;
- (v) any increase in the maximum number of EUA Linked Securities (if any) specified in a Registered Global Certificate;
- (vi) any amendment to any term of the Conditions or any Transaction Document which relates to an operational or procedural issue;
- (vii) any amendment to the name of the Programme;
- (viii) anything that the Issuer is permitted to do without the prior written consent of the Trustee pursuant to Condition 7 (*Restrictions*) or any other Conditions; or
- (ix) the transfer, novation or assignment of the Programme Administrator Agreement effected in accordance with the Conditions.

(b) *Modification of the Relevant Transaction Documents*

Without prejudice to Condition 18(a) (*Meetings of Securityholders*), the Trustee may agree, without the consent of the Securityholders but only with the prior written consent of the Programme Administrator, to (i) any modification to these Conditions, the Trust Deed, and/or any other Transaction Document which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except a modification to which the special quorum provisions apply), and any waiver or authorisation, of any breach or proposed breach of any of these Conditions or any of the provisions of the Trust Deed and/or any other Transaction Document that is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver will be binding on the Securityholders and, unless the Trustee otherwise requires, such modification, authorisation or waiver will be notified by the Issuer to the Securityholders in accordance with Condition 20 (*Notices*) as soon as reasonably practicable.

(c) **Substitution**

- (i) Upon receipt of a written request from the Programme Administrator to substitute the Issuer, the Issuer may (provided that it may not unreasonably withhold its consent to any such request), without the consent of the Securityholders, effect a substitution of any other company in place of itself or of any previous substitute under this Condition 18(c) (*Substitution*) as the principal debtor under the Trust Deed and the other Transaction Documents to which it is a party and the EUA Linked Securities (any such substitute company being the “**Substituted Obligor**” and any such substitution being the “**Substitution**”), provided that:
- (A) the following conditions precedent have been satisfied:
- (I) the Substituted Obligor must be a special purpose vehicle incorporated as a public limited company under the laws of Ireland;
 - (II) any listing or admission to trading of the EUA Linked Securities must not be cancelled or suspended as a result of the Substitution;
 - (III) the identity of the Trustee must remain unchanged;
 - (IV) the identity of the Agents must remain unchanged;
 - (V) the Conditions and the Transaction Documents must not be amended, provided that the Substituted Obligor may make such amendments to the Conditions and/or the Transaction Documents as it determines necessary to reflect the Substitution;
 - (VI) the Substituted Obligor assumes all rights, obligations and liabilities in relation to the Mortgaged Property, acknowledges the Security created in respect thereof pursuant to the Trust Deed and takes all such action required so that the Security constitutes a valid charge, pledge or other security interest over the Mortgaged Property (as was originally created by the Issuer) for the obligations of the Substituted Obligor; and
 - (VII) the Underlying EUAs must remain unchanged;
- (B) the Issuer certifies in writing (such certificate, a “**Substitution Certificate**”) to the Trustee and each Transaction Party that the conditions precedent set out in paragraph (A) above have been satisfied; and
- (C) the applicable Transaction Parties’ “know your customer” requirements have been satisfied.

The Trustee may rely, without further enquiry and without liability to any person for so doing, on a Substitution Certificate. Upon receipt of a Substitution Certificate, the Trustee and the other Transaction Parties shall (at the expense of the Issuer) agree to the Substitution (including, *inter alia*, to the execution of a Substitution Deed) without seeking the consent of the Securityholders or any other party, provided that the Trustee shall not be required to agree to the Substitution if in the opinion of the Trustee the Substitution would (x) expose the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (y) impose more onerous obligations upon it or expose it to any additional duties or responsibilities or reduce or amend the protective provisions afforded to the Trustee in the Conditions or any Transaction Document.

The Issuer shall give notice to Securityholders of the Substitution in accordance with Condition 20 (*Notices*) within 14 days of the execution of the documents effecting such Substitution.

(d) Extension of the Scheduled Maturity Date

Provided that no Early Redemption Event or Event of Default has occurred or is subsisting, the Issuer may (subject to the prior written consent of the Programme Administrator) by notice to the Transaction Parties and the Securityholders in accordance with Condition 20 (*Notices*) extend the Scheduled Maturity Date to a date falling no more than 50 calendar years after the then current Scheduled Maturity Date and any references to the Scheduled Maturity Date in these Conditions and/or any Transaction Document shall be deemed to be to such extended date. For the avoidance of doubt, there is no limit on the number of times the Scheduled Maturity Date can be extended.

(e) Entitlement of the Trustee

In accordance with the terms of the Trust Deed, in connection with the exercise of its functions (including, but not limited to, those referred to in this Condition 18 (*Meetings of Securityholders, Modification, Waiver, Substitution and Restrictions*)) the Trustee will have regard to the interests of the Securityholders as a class and will not have regard to the consequences of such exercise for individual Securityholders (and, for so long as the EUA Linked Securities of the relevant Series are cleared through a Relevant Clearing System, investors who have for the time being a number of EUA Linked Securities of such Series credited to the investors' securities accounts in the records of that Relevant Clearing System) and the Trustee will not be entitled to require, nor shall any Securityholder (and, for so long as the EUA Linked Securities of the relevant Series are cleared through a Relevant Clearing System, investors who have for the time being a number of EUA Linked Securities of such Series credited to the investors' securities accounts in the records of that Relevant Clearing System) be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders.

19 Replacement of EUA Linked Securities

If a Definitive Registered Securities Certificate or Registered Global Certificate representing any EUA Linked Securities is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the relevant Registrar or such other agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Registered Securities Certificate or Registered Global Certificate representing such EUA Linked Securities is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such EUA Linked Securities) and otherwise as the Issuer may require. Mutilated or defaced Definitive Registered Securities Certificates or Registered Global Certificates representing any EUA Linked Securities must be surrendered before replacements will be issued. Upon the issuance of any replacement Definitive Registered Securities Certificates or Registered Global Certificates representing such EUA Linked Securities, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental or issuance charge that may be imposed in connection with such replacement and any other expense (including the fees and expenses of the relevant Registrar or other applicable agent) connected therewith.

20 Notices

- (a) All notices to holders of EUA Linked Securities shall be valid:
 - (i) if delivered to the Relevant Clearing System(s), for communication by them to such holders, in the case of EUA Linked Securities held in a Relevant Clearing System. Any such notice shall be deemed to have been given on the Payment Business Day after the day on which such notice was given to the Relevant Clearing System(s);
 - (ii) if mailed to them at their respective addresses in the Register and deemed to have been given on the day it is delivered in the case of recorded delivery and three calendar days (excluding Saturdays or Sundays) in the case of inland post or seven calendar days (excluding Saturdays or Sundays) in the case of overseas post after the date of despatch;
 - (iii) if published on the website of one or more RIS(s) approved for such purposes by the applicable Relevant Stock Exchange(s) and any such notices shall be conclusively presumed to have been received by the holders; and/or
 - (iv) for so long as the EUA Linked Securities are listed on any Relevant Stock Exchange, published in accordance with the rules and regulations of such Relevant Stock Exchange or other relevant authority.
- (b) All notices to be given by the Issuer under the Conditions may be given by the Programme Administrator on behalf of the Issuer.

21 Regulatory Requirement Amendments

If the Programme Administrator determines that a Regulatory Requirement Event has occurred, it may notify the Issuer (copied to all Transaction Parties) of any modifications that it determines are required to be made to the Conditions and/or any Transaction Document (except for any Authorised Participant Agreement) (such amendments, the “**Regulatory Requirement Amendments**”) in order to cause (as applicable):

- (a) the EUA Linked Securities and the transactions contemplated by the Conditions and the Transaction Documents to be compliant with all Relevant Regulatory Laws;
- (b) the Issuer and each Transaction Party to be compliant with all Relevant Regulatory Laws; or
- (c) the Issuer and each Transaction Party to be able to continue to transact future business (as issuer of EUA Linked Securities or as a transaction party to the Issuer pursuant to the Programme) in compliance with all Relevant Regulatory Laws.

Provided that:

- (A) no Early Redemption Commencement Date has occurred in respect of the EUA Linked Securities;
- (B) the Regulatory Requirement Amendments will not:
 - (i) reduce or cancel the Early Redemption Amount or Final Redemption Amount;
 - (ii) reduce or cancel the EUA Entitlement per EUA Linked Security or vary the method of, or basis for, calculating the EUA Entitlement per EUA Linked Security;
 - (iii) vary any method of, or basis for, calculating the Final Redemption Amount or the Early Redemption Amount;
 - (iv) exchange or substitute the Underlying EUAs (or any portion thereof) for any other asset (other than cash); or

- (v) have a material adverse effect on the validity, legality or enforceability of the Security or on the priority and ranking of the Security;
- (C) the Regulatory Requirement Amendments are agreed to by each party to the affected Transaction Documents (in each case, such consent not to be unreasonably withheld or delayed) and the Trustee;
- (D) the Programme Administrator certifies in writing (such certificate, a “**Regulatory Requirement Amendments Certificate**”, upon which the Trustee may rely without enquiry and without liability to any person for so doing) to the Trustee that (x) the purpose of the Regulatory Requirement Amendments is solely as set out in Conditions 21(a) (*Regulatory Requirement Amendments*) to 21(c) (*Regulatory Requirement Amendments*), (y) the Regulatory Requirement Amendments satisfy the requirements of paragraph (B) above and (z) no Early Redemption Commencement Date has occurred in respect of the EUA Linked Securities; and
- (E) in the opinion of the Trustee (acting reasonably), the Regulatory Requirement Amendments would not (x) expose the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (y) impose more onerous obligations upon it or expose it to any additional duties or responsibilities or reduce or amend the protective provisions afforded to the Trustee in the Conditions or any Transaction Document of any Series,

the Trustee shall agree to the Regulatory Requirement Amendments without seeking the consent of the Securityholders or any other party and concur with the Issuer and the other Transaction Parties (at the Issuer's expense) in effecting the Regulatory Requirement Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed).

Neither the Programme Administrator nor the Trustee shall have any duty to monitor, enquire or satisfy itself as to whether any Regulatory Requirement Event has occurred. The Programme Administrator shall not have any obligation to give, nor any responsibility or liability for giving or not giving, any notice to the Issuer and the Transaction Parties that a Regulatory Requirement Event has occurred.

Any Regulatory Requirement Amendments will be binding on the Issuer, the Transaction Parties and the Securityholders.

22 Rights, Obligations and Indemnification of the Trustee

In accordance with the relevant Trust Deed, the Trustee is not obliged or required to take any action, step or proceeding that would involve any personal liability or expense without first being pre-funded and/or secured and/or indemnified to its satisfaction.

The Trustee will accept without investigation, requisition or objection such right and title as the Issuer has to any of the Mortgaged Property and need not examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Mortgaged Property or any part of it, whether such defect or failure was known to the Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not. The Trustee is not under any obligation to insure any property comprising the Mortgaged Property or any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance.

The Trustee will not be responsible for, nor will it have any liability with respect to any loss or theft or reduction in value of any property comprising the Mortgaged Property. The Trustee will have no responsibility or liability to the Issuer, any Securityholder (and, for so long as the EUA Linked Securities of the relevant Series are cleared through a Relevant Clearing System, investors who have for the time being a number of EUA Linked Securities of such Series credited to the investors' securities accounts in the records of that Relevant Clearing System), any Secured Creditor or any other Transaction Party as regards any deficiency which might arise because (i) all or part of the property comprising the Mortgaged Property

is or will be held by the EUA Custodian, the EUA Disposal Agent, the Issuing and Paying Agent and the Account Bank, and/or (ii) the Trustee, the Issuer, the EUA Custodian and/or the EUA Disposal Agent, as applicable, is subject to any Tax in respect of any of the Mortgaged Property, any income therefrom and/or the proceeds thereof.

The Trustee will not be responsible or liable to the Issuer, any Securityholder (and, for so long as the EUA Linked Securities of the relevant Series are cleared through a Relevant Clearing System, investors who have for the time being a number of EUA Linked Securities of such Series credited to the investors' securities accounts in the records of that Relevant Clearing System), any Secured Creditor or any other Transaction Party for the validity, enforceability, value or sufficiency (which the Trustee will not investigate) of the Security relating to the EUA Linked Securities. The Trustee will not be liable to any Securityholder (and, for so long as the EUA Linked Securities of the relevant Series are cleared through a Relevant Clearing System, investors who have for the time being a number of EUA Linked Securities of such Series credited to the investors' securities accounts in the records of that Relevant Clearing System), any Secured Creditor, any other Transaction Party or any other person for any failure to make or cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a prudent chargee, mortgagee or assignee in relation to the Security relating to the EUA Linked Securities.

In addition to the above, each Trust Deed also contains provisions for the indemnification of the Trustee, for its relief from responsibility.

23 Relevant Clearing System

None of the Issuer, the Trustee, the Agents or the Programme Administrator will have any responsibility for the performance by a Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

Where EUA Linked Securities are held in a Relevant Clearing System, a reference in these Conditions to a deposit or return of such EUA Linked Securities shall be deemed to refer to the taking of such action by an account holder in such Relevant Clearing System as is required to deposit or return such account holder's interest in the EUA Linked Securities in or to the relevant account in such Relevant Clearing System (or other Relevant Clearing System, as applicable).

24 Governing Law and Jurisdiction

(a) Governing Law

- (i) The relevant Trust Deed (except for clause 5.2, 5.16 and 5.22.2 therein), the other Transaction Documents (except for the Account Bank Agreement and the EUA Custody Agreement), the EUA Linked Securities (including any Registered Global Certificate), and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.
- (ii) Clause 5.2, 5.16 and 5.22.2 of the Trust Deed, the Account Bank Agreement and the EUA Custody Agreement, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, Luxembourg law.

(b) Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any EUA Linked Securities and, accordingly, any legal action or proceedings arising out of or in connection with any EUA Linked Securities ("**Proceedings**") may be brought in such courts. The parties to the Trust Deed have irrevocably submitted to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for

the benefit of each of the Trustee and the Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Service of Process

In respect of a Series, each of the EUA Custodian, the Account Bank, the Issuing and Paying Agent, the Calculation Agent, the Transfer Agent and the Registrar irrevocably agrees to appoint, on or around the Series Issue Date, a process agent as its agent to receive, for it and on its behalf, service of process in any Proceedings in England. The process agent in respect of each such party appointing a process agent shall either (i) be the party specified as its process agent for the Series in the relevant Constituting Instrument for the first Tranche for such Series or (ii) if no such process agent is specified in such Constituting Instrument in respect of such party, be notified to the Trustee as soon as reasonably practicable following its appointment. Service of process on any such process agent shall be deemed valid service upon the party appointing such process agent, whether or not it is forwarded to and received by the appointing party. Each party appointing a process agent shall inform the Trustee in writing of any change in its process agent's address within 30 calendar days of such change. If for any reason any such process agent ceases to be able to act as such or no longer has an address in England, each party who has appointed such process agent irrevocably agrees to appoint a substitute process agent in England reasonably acceptable to the Trustee and to deliver to the Trustee a copy of the substitute process agent's written acceptance of that appointment, within 14 calendar days. Each party appointing a process agent irrevocably consents to any process in any Proceedings anywhere being served by mailing a copy by registered post to such process agent. However, nothing in this Condition 24(c) (*Service of Process*) shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF TRANSACTION DOCUMENTS

The following is a summary of certain provisions of certain Transaction Documents relating to the Programme and the EUA Linked Securities and should be read in conjunction with the rest of this Base Prospectus. The summaries below are of certain provisions of the Transaction Documents and do not purport to be complete and are subject to the detailed provisions of the relevant Transaction Documents.

Capitalised terms used in the summaries below but not defined therein shall have the meanings given to such terms in Conditions.

Constituting Instrument

The Constituting Instrument relating to a Series of EUA Linked Securities will be entered into by the Issuer, the Trustee and the other parties named therein at the time of the first Tranche of EUA Linked Securities for that Series and will apply, without further action and without the need for re-execution or execution of a new Constituting Instrument, to any further Tranches of that Series. The Constituting Instrument is entered into for the purpose of constituting and securing the relevant Series of EUA Linked Securities and sets out the terms of the Transaction Documents relating to such Series of EUA Linked Securities. Under the terms of the Constituting Instrument relating to a Series of EUA Linked Securities, the execution of the Constituting Instrument will constitute the Trust Deed, the Programme Administrator Agreement, the Agency Agreement, the Account Bank Agreement and the EUA Custody Agreement for such Series of EUA Linked Securities on the terms set out in the Constituting Instrument.

Trust Deed

The Trust Deed relating to a Series of EUA Linked Securities will be entered into as a deed by the Issuer, the Trustee and each other party thereto upon the execution of the Constituting Instrument. The Constituting Instrument will incorporate and may amend and/or supplement the Master Trust Terms. The relevant Trust Deed contains the provisions setting out the various obligations of the Issuer and the Trustee with respect to the relevant Series of EUA Linked Securities. Each Trust Deed relating to a Series of EUA Linked Securities will be governed by and construed in accordance with English law (except for clauses 5.2, 5.16 and 5.22.2 of the Trust Deed which will be governed by and construed in accordance with Luxembourg law).

The relevant Trust Deed will constitute and secure the EUA Linked Securities of the relevant Series and will set out the covenants of the Issuer, including, *inter alia*, its covenant to pay, provisions relating to its duty to provide various persons with information, to prepare and display certain information, only to do such things as are contemplated within the relevant Trust Deed (most importantly, in relation to the issue of the EUA Linked Securities) and its duties with respect to its obligations under the EUA Linked Securities.

Each Trust Deed will also set out the basis for the remuneration and indemnification of the Trustee in respect of its duties, the conditions for appointment, retirement and removal and contains provisions which are supplemental to certain statutory provisions and which set out the powers of the Trustee and the extent of its duties. The Trustee in respect of a Series of EUA Linked Securities may retire upon giving not less than 60 calendar days' prior written notice to the Issuer, and the Securityholders may by Extraordinary Resolution remove any Trustee, provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Trustee. If the sole trust corporation in respect of a Series of EUA Linked Securities gives notice of retirement or an Extraordinary Resolution is passed for its removal, the Issuer will use all reasonable endeavours to procure that another trust corporation is appointed as the Trustee for such Series but if it fails to do so before the expiry of such 60 calendar day notice period, the Trustee will at the Issuer's expense have the power to appoint a new Trustee.

Agency Agreement

By executing the relevant Constituting Instrument, the Issuer will be deemed to have entered into an Agency Agreement governed by English law in relation to the relevant Series of EUA Linked Securities on the terms set out in the Master Agency Terms as amended or supplemented by such Constituting Instrument with each person executing the Constituting Instrument in the capacity of Programme Administrator, Issuing and Paying Agent, EUA Disposal Agent, Calculation Agent, Transfer Agent, Registrar and Trustee.

The Agency Agreement sets out the duties and obligations of:

- (a) the Issuing and Paying Agent in relation to the issue, payment, replacement, cancellation and listing of the EUA Linked Securities;
- (b) the EUA Disposal Agent in relation to the sale of the Underlying EUAs in respect of the relevant Series of EUA Linked Securities during a Redemption Disposal Period or in relation to the Total Expense Ratio;
- (c) the Calculation Agent in relation to the determination and/or calculation of certain amounts, prices, rates or values and the provision of any notices, consents, authorisations, certifications or instructions relating thereto in respect of the relevant Series of EUA Linked Securities;
- (d) the Registrar in relation to the maintenance of the Register, including amending the nominal amounts or number of EUA Linked Securities represented by a Registered Global Certificate and maintaining an accurate record of the dates of any issuances of EUA Linked Securities under a Series; and
- (e) the Transfer Agent in relation to the acceptance and transfer of EUA Linked Securities delivered to it.

In the case of paragraphs (a) to (e) above, the Agency Agreement also sets out the basis for the remuneration and indemnification of such agents in respect of their respective duties and obligations.

The Agency Agreement also sets out the terms for the appointment, resignation (by at least 60 calendar days' prior notice to the Issuer and the Trustee) and termination of the appointment of any Agent (by at least 60 calendar days' prior notice from the Issuer or on the occurrence of certain events (including, without limitation, a Calculation Agent Bankruptcy Event, EUA Disposal Agent Bankruptcy Event, Issuing and Paying Agent Bankruptcy Event, Programme Administrator Bankruptcy Event and/or Registrar/Transfer Agent Bankruptcy Event)).

EUA Custody Agreement

By executing the relevant Constituting Instrument, the Issuer and the EUA Custodian will be deemed to have entered into a Luxembourg law governed EUA Custody Agreement in respect of the relevant Series of EUA Linked Securities, on the terms set out in the Master EUA Custody Terms, as amended or supplemented by such Constituting Instrument. Each EUA Custody Agreement will set out the duties and obligations of the EUA Custodian in relation to the relevant Series of EUA Linked Securities and the basis for its liability, remuneration and indemnification.

Programme Administrator Agreement

By executing the relevant Constituting Instrument, the Issuer will be deemed to have entered into a Programme Administrator Agreement with the Programme Administrator governed by English law in relation to the EUA Linked Securities on the terms set out in the Master Programme Administrator Terms as amended or supplemented by such Constituting Instrument with each person executing the Constituting Instrument in the capacity of Programme Administrator and Issuer.

The Programme Administrator Agreement sets out the duties and obligations of the Programme Administrator in relation to the relevant Series of EUA Linked Securities and the basis for its liability and remuneration. The Programme Administrator Agreement sets out the conditions for appointment, resignation and termination of the Programme Administrator.

In particular (a) the Issuer will pay a fee to the Programme Administrator from the proceeds of the Underlying EUAs that will be liquidated periodically to satisfy the Total Expense Ratio; and (b) the Programme Administrator will, upon the Issuer's request and receipt of a copy of a relevant invoice, pay to the Issuer or as the Issuer may direct, or reimburse the Issuer for, the Relevant Proportion (as defined in the Programme Administrator Agreement) of the Programme Costs (as defined in the Programme Administrator Agreement).

The Issuer may at any time terminate the appointment of the Programme Administrator with immediate effect if the Programme Administrator commits any material breach of its obligations under the relevant Programme Administrator Agreement and, to the extent such breach is capable of being remedied, the Programme Administrator fails to cure such breach within 60 calendar days of its becoming aware of, or its receiving notice from the Issuer or the Trustee of, such breach.

The Programme Administrator may resign its appointment at any time without giving any reason and without being liable for any costs of the Issuer by giving the Issuer at least 60 calendar days' prior notice to that effect.

Authorised Participant Agreement

The Issuer will enter into an Authorised Participant Agreement with the Calculation Agent and each Authorised Participant in relation to a Series of EUA Linked Securities. Each Authorised Participant Agreement sets out the provisions, in respect of each Series, relating to (i) the subscription for EUA Linked Securities by the Authorised Participant and (ii) the buy-back of EUA Linked Securities by the Issuer from an Authorised Participant. The Authorised Participant Agreement also sets out the terms on which an Authorised Participant may offer, sell or deliver EUA Linked Securities and contains certain representations, warranties and undertakings of the Authorised Participant in relation thereto.

Pursuant to each Authorised Participant Agreement, the Authorised Participant may, on any Eligible Order Day on or after the Series Issue Date, request that the Issuer either issue and sell to it a number of EUA Linked Securities (as specified in the relevant Subscription Order) or buy back from it a number of EUA Linked Securities (as specified in the relevant AP Buy-Back Order).

The Calculation Agent (acting on behalf of the Issuer) will not be obliged to accept a Subscription Order or AP Buy-Back Order in certain circumstances, and the determination of whether such circumstances exist will be made in its sole discretion. Such circumstances include that the relevant Subscription Order or AP Buy-Back Order (as applicable) is received after the specified time by which such Subscription Order or AP Buy-Back Order must be submitted, an EUA Disruption Event has occurred or an Early Redemption Commencement Date has occurred.

The Calculation Agent may (on behalf of the Issuer) suspend the issuance of further EUA Linked Securities at any time and for any reason by giving a Suspension Event Notice (as defined in the relevant Authorised Participant Agreement) to the Authorised Participant. Following delivery of a Suspension Event Notice, the Issuer shall not be obliged to accept any further Subscription Orders with effect from the date of suspension specified in such notice until such time (if any) as the Issuer notifies the Authorised Participant (copied to each Transaction Party) that it shall recommence the issue of further Tranches of the EUA Linked Securities. Any Subscription Order that has been accepted, but in respect of which the Subscription Settlement Date has not yet occurred, shall, unless the Issuer and the Authorised Participant agree otherwise, be settled in accordance with the relevant Authorised Participant Agreement and the Operating

Guidelines (as defined in the relevant Authorised Participant Agreement) and shall not be cancelled as a result of the delivery of a Suspension Event Notice.

Each Authorised Participant Agreement also sets out the conditions for appointment and resignation (in the case of the latter, by giving at least 60 calendar days' prior notice to the Issuer and the Calculation Agent) of the Authorised Participant, as well as the conditions for termination of the Authorised Participant's appointment. The Issuer may, at any time, terminate the appointment of the relevant Authorised Participant with immediate effect if (i) the Authorised Participant commits any material breach of its obligations under the relevant Authorised Participant Agreement or the Operating Guidelines and, to the extent such breach is capable of being remedied, the Authorised Participant fails to cure such breach within 30 calendar days of it becoming aware of, or receiving notice from the Issuer or the Calculation Agent of such breach, (ii) the Issuer determines, in good faith and in a commercially reasonable manner, that, the conduct of the Authorised Participant is detrimental to the reputation or development potential of the business of the Issuer or any other Transaction Party or the relationships of those entities with third parties, (iii) the Authorised Participant is in breach of the AP Requirements in any respect or (iv) the Authorised Participant is subject to an Authorised Participant Bankruptcy Event (as defined in the relevant Authorised Participant Agreement).

The Issuer may otherwise terminate the appointment of the Authorised Participant at any time by giving the Authorised Participant at least 60 calendar days' prior notice to that effect.

Account Bank Agreement

The Constituting Instrument shall constitute the Account Bank Agreement between the Issuer and the Account Bank on the terms set out in the Master Account Bank Terms. The Account Bank Agreement sets out, *inter alia*, the details on which the Account Bank is appointed and the terms and conditions relating to the Cash Account.

REASONS FOR THE OFFER AND USE OF PROCEEDS

The EUA Linked Securities are designed to provide investors with exposure to EUAs without having to take physical delivery of such EUAs.

The net proceeds from the issue of a Series of EUA Linked Securities will be a number of EUAs which, in accordance with the EUA Custody Agreement, will be held in the EUA Custody Account. Such Underlying EUAs shall be used to meet the Issuer's obligations under the relevant Series of EUA Linked Securities.

DESCRIPTION OF THE ISSUER

General

The Issuer was incorporated in Ireland as a public limited company on 21 November 2019 with registration number 661148 under the name HARP Issuer PLC, under the Irish Companies Act 2014 (as amended). The Legal Entity Identifier (“LEI”) of the Issuer is 6354004X7YVOLL4FR65.

The registered office of the Issuer is at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Dublin IE D01 P767, Ireland. The telephone number of the Issuer is +353 1 411 2949. The website of the Issuer is <http://www.harp-issuer.ie>. The information on the website does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

Share capital and ownership

The authorised share capital of the Issuer is EUR 25,000 divided into 25,000 ordinary shares of EUR 1.00 each (“Shares”). The Issuer has issued 25,000 Shares and EUR 0.25 in respect of each of these Shares has been paid.

The issued Shares are held on trust by Apex Corporate Services (Ireland) Limited of 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Dublin IE D01 P767, Ireland (the “Share Trustee”) who owns 25,000 Shares under the terms of a declaration of trust (the “Declaration of Trust”), under which the Share Trustee holds such Shares of the Issuer on trust for charity. The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from its holding of the Shares. Other than any fees for acting as Share Trustee, the Share Trustee will apply any income derived by it from the Issuer solely for charitable purposes. The Share Trustee has, *inter alia*, undertaken not to exercise its voting rights to wind up the Issuer unless and until it has received written confirmation from the Directors of the Issuer that the Issuer does not intend to carry on further business.

Business

As described in paragraph 3 of the Issuer’s memorandum of association as adopted by a written resolution dated 3 December 2019, the principal objects of the Issuer are:

- (a) to carry on the business of entering into financial transactions including but without limitation securitising, purchasing, acquiring, holding, collecting, discounting, financing, negotiating, managing, warehousing, selling, disposing of and otherwise trading or dealing directly or indirectly in real or personal property of whatsoever nature (including, without limitation, securities, notes issued by special purpose vehicles, instruments or obligations of any nature whatsoever, howsoever described and derivatives, financial assets of whatsoever nature howsoever described and trade accounts, receivables and book debts of whatsoever nature howsoever described and foreign currencies) and any proceeds arising therefrom or in relation thereto and any participation or interest (whether legal or equitable) therein and any certificates of participation or interest (whether legal or equitable) therein and any agreements in connection therewith; and
- (b) to exercise and enforce all rights and powers conferred by or incidental to the ownership or holding of any of the foregoing or of any legal or equitable interest therein including, without limitation, the enforcement of any security interest in relation thereto.

Assets and liabilities

The Issuer is a special purpose vehicle incorporated for the purpose of issuing secured, limited recourse securities.

The Issuer has, and will have, no assets other than the sum of EUR 6,250 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of EUA Linked Securities and any securities it has or issues under any other programme (any such securities or issues being the “**Other Securities**”) or the purchase, sale or incurring of other obligations and any Mortgaged Property and any other assets on which the EUA Linked Securities or any Other Securities are secured.

Save in respect of the fees generated in connection with each issue of EUA Linked Securities and any Other Securities, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer’s issued and paid-up share capital, the Issuer will not accumulate any surpluses.

No person other than the Issuer will be obliged to make payments on the EUA Linked Securities and the EUA Linked Securities will not be guaranteed by, or be the responsibility of, any other entity.

The EUA Linked Securities (i) are obligations of the Issuer alone and not of, nor guaranteed in any way by, the Programme Administrator, the directors, the Corporate Services Provider, any Transaction Party or any subsidiary, holding company or any company associated with any of them, (ii) will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme and (iii) are not insured or guaranteed by any government, government agency or other body.

So long as any of the EUA Linked Securities remain outstanding, the Issuer will be subject to the restrictions set out in the Trust Deed. In particular, the Issuer has undertaken not to carry out any business other than the issue of securities and related transactions in accordance with Condition 7(i) (*Restrictions*). The only assets of the Issuer available to meet claims of the holders of the EUA Linked Securities are the assets comprised in the Mortgaged Property relating to the relevant Series.

Directors and Company Secretary

The Directors of the Issuer are as follows:

Director	Principal outside activities	Business Address
Ciaran Connolly	Client Director - Apex Group	2nd Floor, Block 5, Irish Life Centre Abbey Street Lower, Dublin 1 D01 P767, Ireland
Niall Vaughan	Director - Apex Corporate Services (Ireland) Limited	2nd Floor, Block 5, Irish Life Centre Abbey Street Lower, Dublin 1 D01 P767, Ireland
Rhys Owens	Director - Apex Corporate Services (Ireland) Limited	2nd Floor, Block 5, Irish Life Centre Abbey Street Lower, Dublin 1 D01 P767, Ireland

The Company Secretary is Apex Corporate Services (Ireland) Limited (“**Apex**”).

Due to the nature of the Issuer as a special purpose vehicle, and its purpose of issuing secured, limited recourse securities (including Other Securities), alternate directors may need to be appointed from time to time to facilitate quorate board meetings for the issue of Other Securities. This is reflected in the director appointments and resignations shown in the Issuer’s audited financial statements for the period from 1 January 2022 to 31 December 2022.

Corporate Services Provider

Apex is the corporate services provider of the Issuer ("**Corporate Services Provider**"). Its duties include the provision of certain administrative, accounting and related services. The appointment of the Corporate Services Provider may be terminated forthwith if the Corporate Services Provider commits any material breach of the corporate service agreement between the Issuer and the Corporate Services Provider, is unable to pay its debts as they fall due or becomes subject to insolvency or other related proceedings. The Corporate Services Provider may retire upon 90 days' written notice subject to the appointment of an alternative Corporate Services Provider on similar terms to the existing Corporate Services Provider. The business address of the Corporate Services Provider is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin D01 P767, Ireland.

Financial Statements

The financial year of the Issuer begins on 1 January of each year and ends on 31 December of the same year, save that the first financial year started on the date of incorporation of the Issuer and ended on 31 December 2020.

In accordance with the Irish Companies Act 2014 (as amended), the Issuer is obliged to publish its annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of its shareholders. Following the issuance of the first series of EUA Linked Securities, the Issuer shall publish unaudited half-yearly financial statements.

Since the date of incorporation, the Issuer has prepared audited financial statements for (i) the period from its incorporation (being 21 November 2019) to 31 December 2020, (ii) the period from 1 January 2021 to 31 December 2021 and (iii) the period from 1 January 2022 to 31 December 2022. Any future published annual audited financial statements prepared for the Issuer will be obtainable free of charge in physical or electronic form at the registered office of the Issuer, the office of the Issuing and Paying Agent.

No dividends have been paid since the date of incorporation of the Issuer.

Statutory auditors

The auditors of the Issuer are Deloitte & Touche who are chartered accountants and are members of the Institute of Chartered Accountants in Ireland (ICAI) and are qualified to practise as auditors in Ireland.

The address of Deloitte & Touche is 29 Earlsfort Terrace, Dublin, D02 AY28, Ireland.

DESCRIPTION OF THE EUA DISPOSAL AGENT, THE EUA CUSTODIAN AND THE PROGRAMME ADMINISTRATOR

Programme Administrator: UBS AG, London branch

The information in this section has been accurately reproduced from information published by UBS AG, London branch (“**UBS**”) and has been included to provide disclosure for where UBS acts as the Programme Administrator. So far as the Issuer is aware and is able to ascertain from information published by UBS no facts have been omitted which would render the reproduced information inaccurate or misleading.

Incorporation, Registered Office and Objectives

The legal and commercial name of the Programme Administrator is UBS AG.

The Programme Administrator was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December 1997, the Programme Administrator changed its name to UBS AG. The Programme Administrator in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CHE-101.329.561.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an *Aktiengesellschaft*, a corporation limited by shares. UBS AG’s Legal Entity Identifier (LEI) code is BFM8T61CT2L1QCCEMIK50.

According to article 2 of the articles of association of UBS AG dated as of 4 April 2023 (“**Articles of Association**”), the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG may establish branches and representative offices as well as banks, finance companies and other enterprises of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management. UBS AG is authorized to acquire, mortgage and sell real estate and building rights in Switzerland and abroad. UBS AG may borrow and invest money on the capital markets. UBS AG is part of the group of companies controlled by the group parent company UBS Group AG. It may promote the interests of the group parent company or other group companies. It may provide loans, guarantees and other kinds of financing and security for group companies.

The addresses and telephone numbers of UBS AG’s two registered offices and principal places of business are: Bahnhofstrasse 45, 8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, 4051 Basel, Switzerland, telephone +41 61 288 5050.

Business

UBS AG with its subsidiaries (together, “**UBS AG consolidated**”, or “**UBS AG Group**”; together with UBS Group AG, which is the holding company of UBS AG, and its subsidiaries, “**UBS Group**”, “**Group**”, “**UBS**” or “**UBS Group AG consolidated**”) provides financial advice and solutions to private, institutional and corporate clients worldwide, as well as private clients in Switzerland. The operational structure of the Group is comprised of the Group Functions and four business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management and the Investment Bank.

Share Capital and Group Structure

UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100 per cent. owned by UBS Group AG, which is the holding company of the UBS Group. UBS AG operates as a group with four business divisions and Group Functions.

In 2014, UBS began adapting its legal entity structure in response to too-big-to-fail requirements and other regulatory initiatives. First, UBS Group AG was established as the ultimate parent holding company for the

Group. In 2015, UBS AG transferred its personal & corporate banking and Swiss-booked wealth management businesses to the newly established UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. That same year, UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was established and acts as the Group service company. In 2016, UBS Americas Holding LLC became the intermediate holding company for UBS's US subsidiaries and UBS's wealth management subsidiaries across Europe were merged into UBS Europe SE, UBS's German-headquartered European subsidiary. In 2019, UBS Limited, UBS's UK headquartered subsidiary, was merged into UBS Europe SE. On 12 June 2023, Credit Suisse Group AG merged with and into UBS Group AG (*Absorptionsfusion*), becoming the holding company of Credit Suisse AG. UBS expects further changes to the Group's legal structure following such acquisition.

UBS AG is the parent company of, and conducts a significant portion of its operations through, its subsidiaries. UBS AG has contributed a significant portion of its capital and provides substantial liquidity to subsidiaries. In addition, UBS Business Solutions AG provides substantial services to group companies including UBS AG and its subsidiaries. To this extent, UBS AG is dependent on certain of the entities of the UBS AG Group and of the UBS Group.

Financial Year

The financial year of UBS AG is equivalent to the calendar year.

Statutory Auditors

The auditors of UBS AG are Ernst & Young Ltd. of Aeschengraben 27, 4051 Basel, Switzerland ("**Ernst & Young**").

Financial Statements

The latest annual financial statements of UBS AG are the annual financial statements for the financial year ended 31 December 2022. They were audited by Ernst & Young and contain an opinion from Ernst & Young which was not qualified. Annual financial statements of UBS AG will be made available on <https://www.ubs.com/global/en/investor-relations/financial-information/esef-filings.html>.

EUA Disposal Agent: UBS Asset Management (UK) Limited

The information in this section has been accurately reproduced from information published by UBS Asset Management (UK) Limited and has been included to provide disclosure for where the Final Terms for any Series specifies UBS Asset Management (UK) Limited as the EUA Disposal Agent. So far as the Issuer is aware and is able to ascertain from information published by UBS Asset Management (UK) Limited, no facts have been omitted which would render the reproduced information inaccurate or misleading.

UBS Asset Management (UK) Ltd was incorporated in England on 19 February 1981 and is authorised and regulated in the UK in the conduct of financial services and investment management activities by the FCA. UBS Asset Management (UK) Ltd is part of UBS Asset Management, a business group of UBS Asset Management Switzerland AG.

The principal activity of UBS Asset Management (UK) Ltd is the provision of investment management services.

EUA Custodian: UBS Europe SE, Luxembourg branch

The information in this section has been accurately reproduced from information published by UBS Europe SE, Luxembourg branch ("**UBS Luxembourg**") and has been included to provide disclosure for where UBS Luxembourg acts as the EUA Custodian. So far as the Issuer is aware and is able to ascertain from information published by UBS Luxembourg no facts have been omitted which would render the reproduced information inaccurate or misleading.

Establishment and Place of Business

UBS Luxembourg is a branch of UBS Europe SE, a credit institution constituted in the form of a Societas Europaea, authorised under German Law.

UBS Europe SE is subject to the joint prudential supervision of the European Central Bank (Sonnenmannstr. 22, D-60314 Frankfurt am Main), the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and the central bank of Germany (Deutsche Bundesbank). UBS Luxembourg is furthermore supervised by the Luxembourg prudential supervisory authority, the Commission de Surveillance du Secteur Financier (the “CSSF”, 282 Route d’Arlon, L-1150 Luxembourg), in its role as host Member State authority.

UBS Luxembourg was established on 22 June 2016 under the name “UBS Deutschland AG, Luxembourg Branch” in the context of the merger by acquisition (the “**Merger**”) of UBS (Luxembourg) S.A., as transferring company, into UBS Deutschland AG, as absorbing company.

On the legal effective date of the Merger (1 December 2016):

- (i) UBS Deutschland AG adopted the legal form of a European Company (SE) named UBS Europe SE;
- (ii) UBS Deutschland AG, Luxembourg Branch was renamed UBS Europe SE, Luxembourg Branch;
- (iii) all the assets and liabilities of UBS (Luxembourg) S.A. were transferred to UBS Europe SE; and
- (iv) UBS (Luxembourg) S.A. ceased to exist.

As of 1 December 2016, all activities of UBS (Luxembourg) S.A. have been continued by UBS Luxembourg.

The place of business of UBS Luxembourg is at 33A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (telephone number: (+352) 45.12.11).

UBS Europe SE is established at Bockenheimer Landstraße 2-4, 60306 Frankfurt am Main, Germany.

UBS Luxembourg is registered with the Luxembourg trade and companies register (Registre de commerce et des sociétés, Luxembourg) under number B209123.

UBS Europe SE is registered with the Register of Commerce of Frankfurt under number HRB 107046.

Business

The main activities of UBS Luxembourg are wealth management, structured solutions for key clients, custodian bank services and the service hub that provides services to other UBS Group entities.

Share Capital

The registered share capital of UBS Europe SE amounts to EUR 446,001,000.00 (four hundred forty-six million one thousand euro). The registered share capital is divided into 446,001,000 (four hundred forty-six million one thousand) shares with a nominal value of EUR 1.00 (one euro).

Ownership

UBS Luxembourg is a branch of UBS Europe SE. UBS Europe SE is a wholly owned subsidiary of UBS AG.

Financial Year

The financial year of UBS Europe SE is equivalent to the calendar year.

Statutory Auditors

The auditor of UBS Europe SE is Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft of Mergenthalerallee 3-5, 65760 Eschborn, Germany.

Financial Statements

The latest annual financial statements of UBS Europe SE are the annual financial statements for the financial year ended 31 December 2022. They were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft and contain an opinion from Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft which was not qualified. Annual financial statements of UBS Europe will be made available on <https://www.ubs.com/de/de/ubs-germany/financial-reports.html>.

TAXATION

The following is a summary of certain aspects of the tax treatment in respect of payments of the Issuer and amounts paid in respect of the EUA Linked Securities by the Issuer (or an agent appointed by it) in accordance with the terms and conditions of such EUA Linked Securities, based on the laws and practices currently in force which are subject to change after the date of this Base Prospectus and which changes could be made on a retrospective basis.

The summary does not purport to be exhaustive and does not constitute tax or legal advice and the comments below are of a general nature only. With respect to certain structured financial instruments, such as the EUA Linked Securities, it may be the case that in certain jurisdictions there is currently neither case law nor comments of the financial authorities as to the tax treatment of such financial instruments. Accordingly, there is a risk that the relevant financial authorities and courts or the paying agents in such jurisdictions may adopt a view different from that summarised below. Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from the purchase, holding, sale and redemption of the EUA Linked Securities and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.

Investors should be aware that the tax legislation of any jurisdiction where an investor in EUA Linked Securities is resident or otherwise subject to taxation (as well as Ireland and the other jurisdictions discussed below) may have an impact on the tax consequences of an investment in the EUA Linked Securities including in respect of any profit, income or gains received from the EUA Linked Securities. The tax consequences for each investor in the EUA Linked Securities can be different and therefore investors and counterparties are advised to consult with their tax advisers as to their specific consequences.

German Taxation

The following is a general description of certain tax considerations relating to the purchasing, holding and disposing of the EUA Linked Securities. It does not purport to be a complete analysis of all tax considerations relating to the EUA Linked Securities. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Securityholder of the EUA Linked Securities. The discussions that follow are based upon the applicable German laws in force and their interpretation on the date of this Base Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retrospective effect.

Prospective Securityholders of the EUA Linked Securities should consult their own tax advisers as to the particular tax consequences of subscribing for, purchasing, holding and disposing of the EUA Linked Securities, including the application and effect of any federal, state or local taxes, under the tax laws of Germany and each country of which they are resident or citizens.

Income Tax

EUA Linked Securities Held by Individual Tax Residents as Private Assets

Where the EUA Linked Securities are held by an individual investor who has a residence or his habitual abode in Germany among his private assets for tax purposes (*steuerliches Privatvermögen* – “**German Private Investor**”), any income received with respect to the EUA Linked Securities (in particular capital gains realised upon the sale or the redemption of the EUA Linked Securities) is taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a flat tax rate of 25 per cent. (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and church tax (*Kirchensteuer*), if applicable). German Private Investors are entitled to a lump-sum tax allowance (*Sparer-Pauschbetrag*) for their entire investment income of up to €1,000 per year (€2,000 for German Private Investors filing jointly). Capital gain is generally determined as the difference between the Final or Early Redemption Amount (including any Specified Interest Amount, if any) from a disposal of EUA Linked Securities and their relevant

acquisition costs. A deduction of related expenses for tax purposes is not possible. In addition, German Private Investors will only be able to offset losses realised upon the sale or redemption of the EUA Linked Securities against other investment income (e.g., interest income) but not against other types of income (e.g., employment income). Losses not utilised in one year may be carried forward into subsequent years but may not be carried back into preceding years.

Capital losses from the sale or redemption of the EUA Linked Securities held as private assets should generally be tax-recognized irrespective of the holding period of the EUA Linked Securities.

Losses incurred by a German Private Investor under the EUA Linked Securities resulting, *inter alia*, from (i) a bad debt (*Forderungsausfall*), i.e., should the Issuer become insolvent, from (ii) a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, from (iii) a worthless expiry of the EUA Linked Securities, from (iv) a disposal of EUA Linked Securities, which have expired worthless, or from (v) any other shortfall (*sonstigen Ausfall*) of EUA Linked Securities can be set off up to €20,000 against other investment income. Such losses exceeding €20,000 can be carried forward and set off up to €20,000 in later tax assessment periods, subject to certain requirements. Any tax-deductible losses in accordance with the foregoing will not be considered for withholding tax purposes by the Domestic Paying Agent (as described below) but need to be claimed by a German Private Investor by way of tax assessment. The solidarity surcharge shall only be levied for wage tax and income tax purposes if the individual income tax of the Securityholder exceeds the threshold of EUR 17,543 (EUR 35,086 for jointly assessed investors) in the assessment period 2023 and EUR 18,130 (EUR 36,260 for jointly assessed investors) as of the assessment period 2024. The solidarity surcharge shall remain in place for purposes of the withholding tax, the flat tax regime, and the corporate income tax. If in case of flat tax, the income tax burden for a German Private Investor is lower than the flat tax of 25 per cent., the German Private Investor can apply for its capital investment income being assessed at its individual progressive rates in which case solidarity surcharge would be refunded.

As a matter of principle, the tax on the investment income is collected by way of withholding. If the EUA Linked Securities are kept or administered in a domestic securities deposit account by a German credit or financial services institution (*inländisches Kredit oder Finanzdienstleistungsinstitut*) or by a German branch of a foreign credit or financial services institution, or by a German securities institution (*Wertpapierinstitut*) (together, the “**Domestic Paying Agent**”) from the time that they are acquired, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the German Private Investor, church tax, is levied on capital gains from the sale or the redemption of the EUA Linked Securities, resulting in a total withholding tax charge of 26.375 per cent. If the EUA Linked Securities are sold after being transferred to a Domestic Paying Agent, the 25 per cent. withholding tax (plus 5.5 per cent. solidarity surcharge thereon and, if applicable to the German Private Investor, church tax) would be levied on 30 per cent. of the proceeds from the sale, unless the German Private Investor or the previous account bank was able and allowed to provide evidence of the German Private Investor’s actual acquisition costs to the Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rates if church tax is applicable to the German Private Investor. In this case the collection of church tax on capital gains from the sale or redemption of the EUA Linked Securities is provided for as a standard procedure unless the Securityholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). The lump-sum tax allowance mentioned above will be taken into account in determining the withholding tax if the German Private Investor files a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent where the securities deposit account, to which the EUA Linked Securities are allocated, is held.

To the extent the flat tax was accurately withheld and paid by the Domestic Paying Agent, any income tax liability of the German Private Investor will generally be satisfied (i.e. in such case, a German Private Investor is not obliged to include the respective investment income in its tax return or to pay additional taxes thereon). Notwithstanding such final withholding flat tax concept, a German Private Investor may apply for a tax assessment at the flat tax rate (*Wahlveranlagung zum pauschalen Steuersatz*); such

optional tax assessment can lead to a favourable tax treatment (e.g., in cases where the lump-sum tax allowance or tax-losses from other investment income has not been taken into consideration for determination of the withholding tax at the level of the Domestic Paying Agent). Further, a German Private Investor may apply for a tax assessment in respect of his entire investment income (including income from the EUA Linked Securities) at its individual tax rate if such individual tax rate is lower than 25 per cent. (*Wahlveranlagung zum individuellen Steuersatz*).

If no Domestic Paying Agent is involved in the payment process or no or insufficient withholding tax was withheld, a German Private Investor will have to include its income on the EUA Linked Securities in its tax return and the flat income tax of 25 per cent., plus a 5.5 per cent. solidarity surcharge thereon and church tax, if any, will be collected by way of tax assessment (*Pflichtveranlagung zum pauschalen Steuersatz*).

EUA Linked Securities held by Tax Residents as Business Assets

If the EUA Linked Securities are held by an individual investor who has a residence or his habitual abode in Germany among its business assets for tax purposes (*steuerliches Betriebsvermögen*; such an investor a “**German Business Investor**”) any income from the EUA Linked Securities is subject to German trade tax (*Gewerbesteuer*) at an effective trade tax rate between approximately 7 per cent. and 17.5 per cent. depending on the municipal trade tax levy factor; trade tax is only levied to the extent the entire business income exceeds a tax exemption amount of €24,500. Further, income from the EUA Linked Securities is subject to individual income tax at a progressive rate of up to 45 per cent. (plus solidarity surcharge thereon and, if applicable, church tax). The trade tax burden may not be deducted from the tax base for income tax purposes; however, the German Business Investor may set off trade tax effectively levied on his business income on a lump-sum basis against his individual income tax liability depending on the particular circumstances. Losses realised on the sale or upon redemption of the EUA Linked Securities may be offset in particular against other items of positive income subject to the general tax rules, since the EUA Linked Securities should not qualify as derivatives (*Terminingeschäft*) in accordance with the view of the German tax authorities.

If the EUA Linked Securities are held by a corporate investor that is tax resident in Germany (i.e., a fully taxable corporation with its statutory seat or place of effective management in Germany – “**German Corporate Investor**”), any income from the EUA Linked Securities is subject to German trade tax (*Gewerbesteuer*) at an effective trade tax rate between approximately 7 per cent. and 17.5 per cent. depending on the municipal trade tax levy factor. Further, income from the EUA Linked Securities is subject to corporate income tax at a rate of 15 per cent. (plus solidarity surcharge thereon leading to an effective corporate income tax rate of 15.825 per cent.); any trade tax levied at the level of the German Corporate Investor may not be deducted for the purposes of determining the corporate income tax base. Any losses realised upon the sale or redemption of the EUA Linked Securities may generally be offset against other items of positive income subject to the general tax rules.

In the case of a German Corporate Investor and – upon formal application – in the case of a German Business Investor, no withholding tax on capital gains from the sale or redemption of EUA Linked Securities will be levied by a Domestic Paying Agent. Any withholding tax effectively levied by a Domestic Paying Agent is generally fully creditable against the German Business Investor’s individual income tax liability or refundable, as the case may be.

EUA Linked Securities Held by Non-Tax Residents

Income derived from the EUA Linked Securities by Securityholders who are not tax resident in Germany is in general outside the scope of German taxation, and no withholding tax shall be levied, provided however that (a) the EUA Linked Securities are not held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor, and (b) the EUA Linked Securities are not presented for payment or credit at the offices of a German credit or financial services institution including a German branch of a foreign credit or financial services institution (over-the-counter transaction).

If the income derived from the EUA Linked Securities is subject to German taxation under (a) above, the income is subject to taxation similar to that described above under “*German Taxation – Income Tax – EUA Linked Securities Held by Tax Residents as Business Assets*”. If the income derived from the EUA Linked Securities is subject to German taxation under (b) above, the payment of withholding tax will generally satisfy any German income tax liability of the Securityholders in respect of such investment income. In certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Inheritance and Gift Tax

The transfer of EUA Linked Securities is subject to German inheritance/gift tax if the decedent/donor and/or the beneficiary qualify as a German tax resident for the purposes of the German inheritance/gift tax rules. Such German tax residency is in particular assumed if (a) the relevant person has a residence or his habitual abode in Germany or (b) is a German citizen living outside of Germany for less than 5 years; further, certain expatriates may also be regarded as tax resident for the purposes of German inheritance/gift tax. In addition, hereto, the (indirect) transfer of EUA Linked Securities may also be subject to German inheritance/gift tax if the EUA Linked Securities are attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany.

The transfer is subject to inheritance/gift tax at a rate between 7 per cent. and 50 per cent. depending on (a) the relationship between the decedent/donor and the beneficiary and (b) the total value of the assets transferred; further, inheritance/gift tax is subject to *de minimis* tax exemptions (also depending on the relationship between the decedent/donor and the beneficiary). Where the EUA Linked Securities are attributable to a German trade or business, particular exemptions may apply.

Other Taxes

No stamp, issue, registration, value added, capital transfer or similar taxes or duties are payable, at present, in Germany in connection with the issuance, delivery or execution, or the purchase, sale or other disposal of the EUA Linked Securities. However, under certain circumstances entrepreneurs may choose liability to German VAT with regard to the sale of the EUA Linked Securities to other entrepreneurs which would otherwise be tax exempt. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

Irish Taxation

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the EUA Linked Securities based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Securityholders who beneficially own their EUA Linked Securities as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding the EUA Linked Securities, such as dealers in securities, trusts etc.

Taxation of the Issuer

The Issuer will be taxable as a “qualifying company” pursuant to Section 110 of the Taxes Consolidation Act, 1997 of Ireland (as amended) (the “**TCA**”). Profits arising to the Issuer shall be taxable at a rate of 25 per cent. The rules applicable in order to calculate this tax are generally the same as those applicable to a regular trading company.

Deductibility of Payments on the EUA Linked Securities – Section 110 of the TCA

Where the interest or distribution or return on the EUA Linked Securities does not represent more than a reasonable commercial return on the principal outstanding and is not dependent on the results of the

company's business, the interest or distribution in respect of the EUA Linked Securities issued should be deductible in determining the taxable profits of the Issuer, subject to the anti-hybrid provisions and interest limitation rule discussed below.

Where the interest or distribution on the EUA Linked Securities represents more than a reasonable commercial return on the principal outstanding or is dependent on the results of the company's business, the interest or distribution payable by the Issuer will not be deductible if:

- (a) it is reasonable to consider that the payment is not made, or the security to which the payment relates was not entered into, for bona fide commercial purposes and forms part of any arrangement or scheme of which the main purpose or one of the main purposes, is the avoidance of tax; or
- (b) the interest or distribution is paid to a person that:
 - (1) is not resident in Ireland or is not otherwise within the charge to corporation tax in Ireland in respect of that distribution or return; and
 - (2) is not a pension fund, government body or other person resident in a "relevant territory" as defined below who, under the laws of that "relevant territory", is exempted from tax which generally applies to profits, income or gains in that territory (or, if such a person, where the person is a "specified person"); and
- (c) the interest or distribution is not subject to:
 - (1) a tax under the laws of a "relevant territory", without any reduction computed by reference to the amount of such distribution, which generally applies to profits, income or gains received in the "relevant territory" by persons from outside the "relevant territory", or
 - (2) Irish withholding tax at the standard rate of income tax (currently 20 per cent.).

The provisions at (b) above will not apply where the payment is made in respect of a "specified instrument" (as defined below), except where the distribution or return is paid to a "specified person" and at the time the "specified instrument" was issued, the Issuer was in possession, or aware, of information, including information about any arrangement or understanding in relation to ownership of the "specified instrument" after that time, which could reasonably be taken to indicate that the interest or distribution which would be payable in respect of that "specified instrument" would not be subject, without any reduction computed by reference to the amount of such distribution or return, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

The deductibility of interest or a distribution on the EUA Linked Securities that represents more than a reasonable commercial return on the principal outstanding or is dependent on the results of the company's business is also subject to the anti-hybrid provisions and interest limitation rule discussed below.

Where a payment is made out of the assets of the Issuer under a "specified agreement" (as defined below) that is dependent on the results of the Issuer's business or any part of its business and that payment would not be deducted in computing the profits or gains of the Issuer if the payment was to be treated for the purposes of the TCA (other than Section 246 thereof) as a payment of a distribution in respect of securities of the Issuer other than a specified instrument that was dependent on the results of the Issuer's business, that payment will be treated as a payment of a distribution for the purposes of the provisions set out at (a) or (b) above.

For the purposes of this "*Irish Taxation*" section, the following terms have the meanings as set out below:

A "**specified person**" means:

- (a) a company which directly or indirectly controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer; or

- (b) a person, or persons who are connected with each other, from whom assets were acquired, or to whom the Issuer has made loans or advances, or to whom loans or advances held by the Issuer were made, or with whom the Issuer has entered into a specified agreement, where the aggregate value of such assets, loans, advances or agreements represents not less than 75% of the aggregate value of the assets of the Issuer,

and for these purposes, a person has control of a company where that person has:

- (i) the power to secure:
- (A) by means of the holding of shares or the possession of voting power in or in relation to that or any other company; or
 - (B) by virtue of any powers conferred by the constitution, articles of association or other document regulating that or any other company,

that the affairs of the first-mentioned company are conducted in accordance with the wishes of that person; or

- (ii) significant influence over the first-mentioned company and holds, directly or indirectly, more than:
- (A) 20 per cent. of the issued share capital of the company;
 - (B) 20 per cent. of (i) the principal value of any securities under which the consideration given by the company for the use of the principal secured is to any extent dependent on the results of the company's business or any part of the company's business, or the consideration so given represents more than a reasonable commercial return for the use of that principal by that company, or (ii) any such securities where those securities have no principal value; or
 - (C) the right to 20 per cent. of the interest or other distribution payable in respect of any securities issued by the company under which the consideration given by the company for the use of the principal secured is to any extent dependent on the results of the company's business or any part of the company's business, or the consideration so given represents more than a reasonable commercial return for the use of that principal by that company,

and where "significant influence" means a person with the ability to participate in the financial and operating decisions of a company.

A "**specified agreement**" includes any agreement, arrangement or understanding that (a) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and (b) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

A "**specified instrument**" means a quoted Eurobond for the purpose of Section 64 of the TCA or a wholesale debt instrument within the meaning of Section 246A of the TCA.

A "**relevant territory**" is:

- (a) a Member State of the European Union other than Ireland;

- (b) not being such a Member State, a territory with which Ireland has a signed a double taxation agreement that is in effect; or
- (c) a territory with the government of which arrangements have been made which on completion of the procedures set out in Section 826(1) of the TCA will have the force of law.

Deductibility of Payments on the EUA Linked Securities – Anti-hybrid Provisions and Interest Limitation Rule

As part of its anti-tax avoidance package the EU Council adopted the Anti-Tax Avoidance Directive in Council Directive (EU) 2016/1164 (“**ATAD 1**”). Additional measures were introduced in Council Directive (EU) 2017/952 (“**ATAD 2**”).

Further to ATAD 1 (as amended by ATAD 2), legislation dealing with hybrid mismatches came into effect in Ireland on 1 January 2020. Hybrid mismatch rules are designed to neutralise arrangements where amounts are deductible from the income of one entity but are not taxable for another, or the same amounts are deductible for two entities. These rules could potentially apply to the Issuer where: (i) the distribution that it pays under the EUA Linked Securities, and claims deductions from its taxable income for, is not brought into account as taxable income by the relevant Securityholder, either because of the characterisation of the EUA Linked Securities or the payments made under them, or because of the nature of the Securityholder itself; and (ii) the mismatch arises between associated enterprises, between the Issuer and an associated enterprise or under a structured arrangement.

To the extent the Issuer is deemed to be associated with any of its Securityholders, or is engaged in certain transactions which have, as their purpose, the exploitation of hybrid mismatches, these Irish anti-hybrid rules may impact the deductibility of payments by the Issuer to certain Securityholders. Associated for Irish tax purposes in this context includes direct and indirect participation in terms of voting rights or capital ownership of 25 per cent. (or more than 50 per cent. in certain circumstances) or an entitlement to receive 25 per cent. (or more than 50 per cent. in certain circumstances) of the profits of that entity as well as entities that are part of a “consolidated group for financial accounting purposes” (as defined under Section 835AA of the TCA) or enterprises that have “significant influence in the management of” the taxpayer by virtue of having the ability to participate, on the board of directors or equivalent governing body of the entity, in the financial and operating policy decisions of that entity, including where that power does not extend to control or joint control of that entity.

Securityholders are not currently anticipated to be persons who would be considered associated with the Issuer, merely by reason of holding EUA Linked Securities.

Further to ATAD 1, legislation dealing with the “interest limitation rule” came into effect in Ireland for accounting periods commencing on or after 1 January 2022. The interest limitation rule restricts the deductible interest of an entity to 30 per cent. of its earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) (there is a de minimis threshold of EUR 3,000,000 per accounting period of 12 months). However, the interest limitation only applies to the net borrowing costs of an entity (being the amount by which its borrowing costs exceed its taxable interest revenues and other economically equivalent taxable revenues). Thus, if an entity has net interest income for an accounting period (i.e. no exceeding borrowing costs, or its exceeding borrowing costs do not exceed the higher of 30 per cent. of the entity’s tax-adjusted EBITDA or the de minimis threshold), a restriction does not apply.

The ‘group ratio’ and ‘equity ratio’ provisions of the ATAD 1 interest limitation rule have also been introduced and the equity ratio provisions are available to an entity which qualifies as a “single company worldwide group” (as defined in Section 835AY of the TCA). The equity ratio permits a company whose ratio of equity to total assets in an accounting period is 98 per cent. or more of the group’s ratio for the accounting period to elect to apply the equity ratio rule and therefore disapply the interest limitation provision for the accounting period. Where a company is a “single company worldwide group” and no amount is owed by the company to its “associated enterprises” which gives rise to deductible interest

equivalent, the company's equity ratio should always be the same as that of the group so that the company could elect to apply the equity ratio and thereby disapply the interest limitation rule.

A "single company worldwide group" means a company that is not a member of a "worldwide group", a member of an "interest group", or a "standalone entity" (terms as defined under Part 35D of the TCA). It is expected that the Issuer should qualify as a "single company worldwide group" provided that it is not a member of a "worldwide group" (e.g. where the full amount of its income, expenses, assets, and liabilities are not consolidated on a line by line basis in ultimate consolidated financial statements prepared under generally accepted accounting practice, IFRS or an "alternative body of accounting standards" (as defined)) and it does not elect to be a member of an interest group (which it could not do in any case unless it was a member of a worldwide group or an Irish corporate tax loss group). If the Issuer qualifies as a "single company worldwide group" and does not owe any amount which gives rise to deductible interest equivalent to an entity which is an "associated enterprise" in respect of the Issuer, the Issuer should be able to elect to apply the equity ratio in its annual Irish corporation tax return and thereby disapply the interest limitation rule.

Deductibility of Payments – Specified Property Business

Finance Act 2016 and Finance Act 2017 contained rules which restrict the deductibility of interest or distributions paid by a "qualifying company" such as the Issuer where such interest or distribution is profit dependent or exceeds a reasonable commercial return to the extent such interest or distribution is attributable to a "specified property business" of the "qualifying company" (as defined in Section 110(5A) of the TCA).

A "specified property business" is defined as a business, or such part of a business, that involves the holding, managing or both the holding and managing of "specified mortgages", units in an Irish Real Estate Fund (within the meaning of Chapter 1B of Part 27 of the TCA) or shares that derive their value or the greater part of their value from Irish land, subject to a number of exceptions. A "specified mortgage" for this purpose is defined under Section 110(5A)(a) of the TCA as (a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, Irish land, (b) a "specified agreement" (a return agreement as defined in Section 110(1) of the TCA) which derives all of its value, or the greater part of its value, directly or indirectly, from Irish land or a loan to which (a) applies, or (c) the portion of a "specified security" (a security where Section 110(4) of the TCA would, or would but for subsection (5A) of Section 110 of the TCA, apply to any interest or other distribution payable thereon) as is attributable to the specified property business in accordance with Section 110(5A) of the TCA.

As such, if:

- (a) the Issuer does not carry on a "specified property business", or
- (b) the distribution or return payable on the EUA Linked Securities (to the extent such distribution or return is attributable to a "specified property business" of the Issuer) does not exceed a reasonable commercial return for the use of the principal advanced under the EUA Linked Securities or the Securityholder is a person who is within the charge to corporation tax in Ireland in respect of any distribution or return payable under those EUA Linked Securities,

the distribution or return payable under the EUA Linked Securities should not cease to be deductible for the Issuer for Irish tax purposes.

Taxation of Securityholders

Persons Subject to Irish Income or Corporation Tax

In general, persons who are resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

Any interest paid and discounts realised on the EUA Linked Securities have an Irish source and therefore the interest earned and discounts realised on such EUA Linked Securities will be regarded as Irish source income. Accordingly, pursuant to general Irish tax rules, a non-Irish resident person in receipt of such income would be technically liable to Irish income tax (and the universal social charge if received by an individual) subject to the provisions of any applicable double tax treaty.

Ireland has currently 76 double tax treaties of which 74 are in effect and the majority of them exempt interest (which sometimes includes discounts) from Irish tax when received by a resident of the other jurisdiction. Credit is available for any Irish tax withheld from income on account of the related income tax liability. Non-Irish resident companies, where the income is not attributable to a branch or agency of the company in Ireland, are subject to income tax at the standard rate. Therefore, any withholding tax suffered should be equal to and in satisfaction of the full income tax liability (Non-Irish resident companies operating in Ireland through a branch or agency of the company in Ireland to which the income is attributable would be subject to Irish corporation tax).

There is an exemption from Irish income tax under Section 198 of the TCA in certain circumstances. These circumstances include:

- (a) where the interest is paid by a company in the ordinary course of business carried on by it to a company (i) which, by virtue of the law of a relevant territory, is resident in the relevant territory for the purposes of tax, and that relevant territory imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory, or (ii) where the interest is either (A) exempted from the charge to income tax under arrangements made with the government of a territory outside Ireland having the force of law under procedures set out in Section 826(1) of the TCA, or (B) would be exempted from the charge to income tax if arrangements made, on or before the date of payment of the interest with the government of a territory outside Ireland that do not have force of law under procedures set out in Section 826(1) of the TCA, had the force of law when the interest was paid;
- (b) where the interest or distribution is paid by a qualifying company within the meaning of Section 110 of the TCA out of the assets of that qualifying company to a person who is resident in a relevant territory (residence to be determined under the laws of that relevant territory);
- (c) where the interest is payable on a quoted Eurobond (as per Section 64 of the TCA) and is paid by a company to a person who is resident in a relevant territory (residence to be determined under the laws of that relevant territory) or to a company controlled, either directly or indirectly by a person or persons who are resident in a relevant territory and are not controlled, either directly or indirectly by persons who are not so resident; or
- (d) where discounts arise to a person in respect of securities issued by a company in the ordinary course of a trade or business, where that person is resident in a relevant territory (residence to be determined under the laws of that relevant territory).

Any interest paid on the EUA Linked Securities and discounts realised which do not fall within the exemptions in Section 198 of the TCA are within the charge to Irish income tax to the extent that a double tax treaty does not exempt the interest or discount as the case may be. However, it is understood that the Irish Revenue Commissioners have, in the past, operated a practice (as a consequence of the absence of a collection mechanism rather than adopted policy) whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

- (i) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or
- (ii) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or

- (iii) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that the Irish Revenue Commissioners will apply this practice in the case of the holders of EUA Linked Securities and, as mentioned above, there is a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the current rate of 25 per cent. from interest or a distribution paid on any EUA Linked Security, where such interest or distribution is collected or realised by a bank or encashment agent in Ireland on behalf of any Securityholder. There is an exemption from encashment tax where the beneficial owner of the interest or distribution is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Capital Gains Tax on Disposal of EUA Linked Securities

Persons who are resident in Ireland or companies which carry on a trade in Ireland through a branch or agency to which the EUA Linked Securities are attributable and who realize a gain on the disposal of a EUA Linked Security may be liable to Irish taxation on capital gains at a rate of 33 per cent. of the amount of the chargeable capital gain. Individuals who are neither resident nor ordinarily resident in Ireland and companies that are not resident in Ireland and do not carry on a trade in Ireland through a branch or agency to which the EUA Linked Securities are attributable will not be subject to Irish capital gains tax on the disposal of EUA Linked Securities.

Stamp Duty

For so long as the Issuer is a “qualifying company” within the meaning of Section 110 of the TCA, Irish stamp duty will not be imposed on the issue or transfer of the EUA Linked Securities provided the money raised by the issue of the EUA Linked Securities is used in the course of the Issuer’s business.

Capital Acquisitions Tax

A gift or inheritance of EUA Linked Securities will be subject to capital acquisitions tax (“**CAT**”) if either the disposer or the beneficiary of the EUA Linked Securities is resident or ordinary resident in Ireland or if any of the EUA Linked Securities are regarded as property situate in Ireland. CAT is a tax imposed primarily on the beneficiary. It is currently payable at a rate of 33 per cent. on the taxable value of the gift or inheritance subject to tax free thresholds. Gifts and inheritances between spouses are exempt from CAT.

FATCA Implementation in Ireland

On 21 December 2012, the Governments of Ireland and the United States signed the Ireland IGA. In July 2014, Ireland enacted Financial Accounts Reporting (United States of America) Regulations 2014 (the “**Irish FATCA Regulations**”).

The Ireland IGA and Irish FATCA Regulations increased the amount of tax information automatically exchanged between Ireland and the United States. They provide for the automatic reporting and exchange of information in relation to accounts held in Irish “financial institutions” by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents.

The Issuer intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA pursuant to the terms of the Ireland IGA and the Irish FATCA Regulations. The Issuer expects to be treated as a “financial institution”. The Issuer is required to register with the US Internal Revenue Service as a “reporting financial institution” for FATCA purposes. In order for the Issuer to comply with its FATCA obligations it is required to report certain information to the Irish Revenue Commissioners relating to Securityholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities (“**NFFEs**”) that are controlled by specified US persons.

Any information reported by the Issuer to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Issuer shall be entitled to require Securityholders to provide any information regarding their FATCA status, identity or residency required by the Issuer to satisfy its FATCA obligations. Securityholders will be deemed, by their subscription for or holding of EUA Linked Securities to have authorised the automatic disclosure of such information by the Issuer or any other authorised person to the relevant tax authorities.

The Issuer should not generally be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. However, FATCA withholding tax may arise on US source payments to the Issuer if the Issuer does not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service has specifically identified the Issuer as being a 'non-participating financial institution' for FATCA purposes. In addition, the Issuer may be unable to comply with its FATCA obligations if Securityholders do not provide the required certifications or information. Securityholders should consult their own tax advisors as to the potential implication of the reporting requirements imposed on the Issuer by FATCA before investing.

The Common Reporting Standard

On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard (the "**CRS**"). The CRS provides that certain entities (known as Financial Institutions) shall identify "Accounts" (as defined, broadly equity and debt interests in the Financial Institution) held by persons who are tax resident in another CRS participating jurisdiction. That information is then subject to annual automatic exchange between governments in CRS participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements the CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis.

Ireland has provided for the implementation of CRS through Section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**"). Irish Financial Institutions are obliged to make a single return in respect of CRS and DAC II.

The Issuer is expected to constitute a Financial Institution for CRS purposes. In order to comply with its obligations under CRS and DAC II, the Issuer shall be entitled to require Securityholders to provide certain information in respect of the Securityholder's and, in certain circumstances, their controlling persons' tax status, identity or residence. Securityholders will be deemed, by their holding of the EUA Linked Securities, to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) to the Irish Revenue Commissioners. The information will be reported by the Issuer to the Irish Revenue Commissioners who will then exchange the information with the tax or governmental authorities of other participating jurisdictions, as applicable. To the extent that the EUA Linked Securities are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year.

Provided the Issuer complies with these obligations, it should be deemed compliant for CRS and DAC II purposes. Failure by the Issuer to comply with its CRS and DAC II obligations may result in it being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed pursuant to the Irish implementing legislation.

Liechtenstein Taxation

Tax warning notice

Attention is drawn to the fact that the income from the EUA Linked Securities may be affected by the tax legislation of the member state in which the investor is resident for tax purposes as well as in the member state of incorporation of the Issuer.

Investors are advised to consult their own tax advisers as to the detailed possible tax consequences arising from the subscription, purchase, holding and disposal of the EUA Linked Securities, in particular the consequences of the application and effect of state, regional and foreign or other tax laws as well as changes in the respective tax laws.

Taxation in Liechtenstein

Investors (natural persons) resident in Liechtenstein have to record the EUA Linked Securities in their annual tax declaration. Realised interest, dividends and capital gains from debt securities and shares are tax exempt, if the relevant debt securities are declared under the wealth tax.

Legal entities domiciled in Liechtenstein holding debt securities must capitalize the securities at acquisition cost and declare as income all realised interest, dividends and capital gains from debt securities and shares. Payments by the Issuer and profits from the sale of the EUA Linked Securities thus represent tax-effective income to be included in the annual accounts and taxed accordingly (taxable net income).

Spanish Taxation

General

It must be noted that the tax treatment of the EUA Linked Securities is not specifically foreseen in Spanish legislation. Therefore, the principles contained hereunder are the ones to be applied to reach to conclusions as to the tax treatment of the EUA Linked Securities.

Neither the Spanish tax authorities nor Spanish courts have ruled on the tax treatment of the EUA Linked Securities.

Therefore, the following information is based on an interpretation of general principles underlying Spanish taxation as well as those traditionally governing official guidance issued by the Spanish Tax Authorities on financial products as in effect on the date hereof and is subject to any change in law that may take effect after such date. It is also based on the pattern that the EUA Linked Securities would be classified for tax purposes in Spain as debt securities.

The following is a summary of certain Spanish tax considerations relevant to a Securityholder. This statement must not be understood to be tax advice. It is based on the Spanish tax laws and their interpretation as of the date hereof. This description does not purport to be complete with respect to the tax information that may be relevant for the Securityholder due to his personal circumstances. Prospective purchasers of the EUA Linked Securities are advised to consult their professional tax adviser regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of the EUA Linked Security.

Taxation of a Spanish Tax Resident Individual

According to Article 25.2 of the Law 35/2006 of 28th November on Personal Income Tax (the “**PIT Law**” or “**Personal Income Tax Law**”) as amended, any positive or negative income earned by Spanish tax resident individuals from the EUA Linked Securities would be considered as yield from movable capital obtained from the assignment of own capital to third parties.

In case of transfer, redemption, reimbursement, exchange or conversion, the taxable income obtained by the investor would be the difference between the amount received (reduced in the expenses related to the

transfer) and the acquisition cost or subscription value (incremented in the costs related to the acquisition). According to the Spanish legislation, income from movable capital will be included in the so called “savings income taxable base”, being taxed on a net basis at the following rates as from fiscal year 2023: 19 per cent. for taxable income up to €6,000; 21 per cent. for taxable income between €6,000.01 and €50,000; 23 per cent. for taxable income between €50,000.01 and €200,000; 27 per cent. for taxable income between €200,000.01 and €300,000 and 28 per cent. for taxable income in excess of €300,000.

Losses derived from the transfer of the EUA Linked Securities are disregarded if securities of the same kind have been acquired during the period between two months before or two months after the date of the transfer which generates the loss. In such a case, losses will be deductible when the transfer of the remaining EUA Linked Securities of the Securityholder takes place.

As regards income earned by Spanish tax resident individuals from the EUA Linked Securities, no Spanish withholding taxes should be deducted by the Issuer considering it is resident in Ireland, provided that it does not have a permanent establishment in Spain.

However, Spanish withholding taxes on income obtained under the EUA Linked Securities may have to be deducted by other entities, as follows:

- (i) Income earned upon transfer of the EUA Linked Securities may be subject to Spanish withholding tax at a 19 per cent. rate to be deducted by the financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory. This 19 per cent. withholding tax can be credited against the final tax liability of the investor.
- (ii) Income earned upon redemption or reimbursement may be subject to Spanish withholding tax at a 19 per cent. rate to be deducted by the financial entity appointed by the Issuer (if any) for redemption or reimbursement of the EUA Linked Securities, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory. This 19 per cent. withholding tax can be credited against the final tax liability of the investor.

Taxation of a Spanish Tax Resident Company

Any income (whether positive or negative) earned by a Spanish tax resident entity from the investment in the EUA Linked Securities would be included in the taxable base of the said entity in accordance with Spanish accounting standards, being taxed at the rate corresponding to the Securityholder (currently, general Corporate Income Tax (“**CIT**”) rate is 25 per cent). Nevertheless, it should be noted that this general rate will not be applicable to all CIT taxpayers, as for instance, it will not apply to banking institutions (which will be taxed at the rate of 30 per cent.). Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

According to Article 61 of the Royal Decree 634/2015 of 10th July on Corporate Income Tax (the “**CIT Regulations**” or “**Corporate Income Tax Regulations**”) as amended, in case of EUA Linked Securities traded in a Spanish regulated market (and such securities are represented in book entries) or in any official organized markets of OECD countries, no withholding tax shall be applied on income derived from such securities. Otherwise, a 19 per cent. withholding tax should be levied provided that there is an entity obliged to withhold tax according to Spanish Corporate Income Tax legislation.

Natural or legal persons tax resident outside of Spain

Income obtained without a permanent establishment

Pursuant to Royal Legislative Decree 5/2004 of 5th March, on Non-Resident Income Tax (the “**NRIT Law**” or “**Non-Resident Income Tax Law**”) as amended, income derived from the EUA Linked Securities by non-Spanish resident holders should not be considered as income obtained within the Spanish territory (and therefore, should not become taxable in Spain) as long as such non-resident investors are not acting in Spain through a permanent establishment in connection with the holding of the EUA Linked Securities.

Income obtained through a permanent establishment

Generally, income derived from the EUA Linked Securities earned by a permanent establishment located in Spain of a non-resident would be subject to taxation in Spain, in similar terms to Spanish tax resident companies, subject to any particularities arising out of any applicable double taxation treaty.

Net Wealth Taxes

Spanish tax resident individual investors should note that according to Law 19/1991 of 6th June on Net Wealth Tax ("**Net Wealth Tax Law**") as amended, (subject to any exceptions provided under relevant legislation in each autonomous region (*Comunidad Autónoma*)), the net worth of any Spanish tax resident individuals in excess of €700,000 is subject to Net Wealth Tax in respect of year 2023.

Therefore, investors who are Spanish tax resident individuals whose net worth is above €700,000 and who hold EUA Linked Securities on 31 December are subject to Net Wealth Tax for such year at rates varying between 0.2 per cent. and 3.5 per cent, of the average listing price of the EUA Linked Securities during the last quarter of such year (or of the nominal value for non-listed EUA Linked Securities). However, effective tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

In addition, Spanish tax resident individual investors may also be subject to the so-called temporary "solidarity tax on major fortunes" that was approved in December 2022 under Law 38/2022 and would be applicable in years 2023 and 2024. This is a two-year wealth tax that, in general terms, is similar to the Net Wealth Tax (i.e., applying to the same taxable events) but includes some significant differences, mainly (a) this "solidarity tax on major fortunes" disregards the exceptions provided under relevant legislation in each autonomous region (*Comunidad Autónoma*) in relation to the Net Wealth Tax; and (b) the rates of the "solidarity tax on major fortunes" are (i) 1.7 per cent. on a net worth between €3 million and €5,3 million, (ii) 2.1 per cent. on a net worth between €5,3 million and €10,6 million and (iii) 3.5 per cent. on a net worth of more than €10,6 million. Notwithstanding the above, it should be noted that Spanish tax resident individual investors can deduct the amounts payable under the Net Wealth Tax from the tax liability owed under the "solidarity tax on major fortunes", so that double taxation is avoided.

Prospective investors are advised to seek their own professional advice in this regard.

Spanish resident legal entities are not subject to these taxes. Non-Spanish tax residents, both individuals and companies, will not be subject to these taxes on the holding of the EUA Linked Securities.

Inheritance and Gift Tax

The acquisition of the EUA Linked Securities by Spanish tax resident individuals as a result of inheritance or gift would be subject to the general rules of the Spanish Inheritance and Gift Tax (as amended by each autonomous region (*Comunidad Autónoma*) where applicable and therefore subject to any regional tax exemptions available to them). The final effective tax rate may range from 0 per cent. (full exemption) to 81.6 per cent. depending on various factors (such as the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, the kinship with the deceased or the donor and the qualification for tax benefits). These factors may vary depending on the application of the state's or the autonomous region's Inheritance Gift Tax laws.

If the beneficiary of any inheritance or gift were a Spanish legal entity or a non-resident entity with a permanent establishment in Spain, any income obtained would be subject to taxation under Spanish Corporate Income Tax or Non-Residents Income Tax, subject to the application of any relevant double taxation treaty.

In principle, non-resident individuals and non-resident entities not acting through a permanent establishment in the Spanish territory would not be subject to Spanish Inheritance and Gift Tax on the acquisition of the EUA Linked Securities based on the double taxation treaty.

Reporting Obligations

Pursuant to Article 42 ter. of RD 1065/2007, Spanish tax residents (i.e., individuals, legal entities, permanent establishments in Spain of non-Spanish resident entities) shall report to the tax authorities the values they have abroad. The reporting obligation shall be fulfilled from 1 January until 31 March of the year following that for which the information refers to. However, there will be no reporting obligation for those values whose aggregate value is lower than €50,000. Finally, in the year after the one in which the information was provided, the information returns should be filed only if: the values of the values already reported have increased (unless the increase does not exceed €20,000); or those values are not held anymore.

Indirect taxes, Other Taxes and Duties

The acquisition of the EUA Linked Securities and any subsequent transfer thereof are not subject, or they are exempt from Transfer Tax and VAT and the Spanish Financial Transaction Tax.

No Stamp Duty should be triggered provided the relevant securities do not have access to a Spanish public registry.

Swiss Taxation

Swiss Income Tax

For private investors resident in Switzerland, an investment in the EUA Linked Securities is in principle not subject to income tax. The exception would be that the interest component of the payment on the Scheduled Maturity Date or Early Redemption Date (as applicable) is considered taxable income on the Scheduled Maturity Date or Early Redemption Date (as applicable) for the investor who holds the product on the Scheduled Maturity Date or Early Redemption Date (as applicable). This amount will be determined and reported to the Swiss Federal Tax Administration for publication in the *Kursliste* (list of tax values).

Swiss Withholding Tax

The EUA Linked Securities are not subject to Swiss Withholding Tax.

Swiss Transfer Stamp Duty

The EUA Linked Securities do not qualify as a taxable security (TK23/3).

UK Taxation

The following is a summary of the Issuer's understanding of current UK tax law as applied in England and Wales and HM Revenue & Customs ("**HMRC**") practice (which may not be binding on HMRC), in each case as at the date of this Base Prospectus, relating to certain aspects of the UK tax treatment of the EUA Linked Securities. The comments do not deal with other UK tax aspects of acquiring, holding or disposing of the EUA Linked Securities.

The following relates to investors who are individuals (i.e., natural persons) acting in a private capacity and who are resident and domiciled in the UK for tax purposes ("**UK Individuals**") or that are legal persons within the charge to UK corporation tax and hold the EUA Linked Securities as an investment. The summary relates only to the position of persons who are absolute beneficial owners of the EUA Linked Securities and does not deal with the position of certain other categories of investor, such as dealers, certain professional investors and persons connected with the Issuer.

Investors and prospective investors in the EUA Linked Securities should be aware that the particular terms of issue of any Series of EUA Linked Securities as specified in the relevant Final Terms may affect how that Series of EUA Linked Securities is classified for UK tax purposes and, in general, the UK tax treatment of that Series of EUA Linked Securities. The following summary relates only to certain possible classifications of the EUA Linked Securities and does not cover the UK tax treatment of all possible Series of EUA Linked Securities that could be issued under the Programme. In addition, the UK tax position of

specific holders of the EUA Linked Securities will depend upon their own specific circumstances. Accordingly, the following is a general guide and should be treated with appropriate caution.

The comments below assume that the Issuer is not UK resident or acting through a permanent establishment in the UK in relation to the EUA Linked Securities and that no other nexus with the UK results in payments in respect of (including interest on) the EUA Linked Securities having a UK source. This is subject to any change in law or HMRC practice that may take effect after the date of this Base Prospectus. They also assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the EUA Linked Securities).

Investors and prospective investors who may be liable to taxation in jurisdictions other than the UK in respect of their acquisition, holding or disposal (including redemption) of the EUA Linked Securities should also consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdiction), since the following comments relate only to certain UK taxation aspects in respect of the EUA Linked Securities. In particular, investors and prospective investors should be aware that they may be liable to taxation under the laws of the UK and other jurisdictions in relation to payments in respect of the EUA Linked Securities.

Withholding

If payments in respect of (including interest on) the EUA Linked Securities do not have a UK source, the Issuer may make payments, which fall to be treated as payments of interest for UK tax purposes, in respect of any Series of EUA Linked Securities without withholding or deduction for or on account of UK income tax.

If payments in respect of (including interest on) the EUA Linked Securities have a UK source, while the EUA Linked Securities continue to be listed on a recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of UK income tax.

If the EUA Linked Securities cease to be listed interest which has a UK source will generally be paid by the Issuer under deduction of income tax at the basic rate (currently 20 per cent.) unless: (i) another relief applies under domestic law; or (ii) the Issuer has received a direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

If interest were paid under deduction of UK income tax (e.g., if the EUA Linked Securities lost their listing), Securityholders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Taxation of Disposal (including Redemption) and Return

UK Individual Holders

The Issuer has sought guidance from HMRC as to the tax treatment of the EUA Linked Securities in the hands of UK Individuals. HMRC has advised that the EUA Linked Securities are likely to be treated as excluded indexed securities as defined in section 433 of the Income Tax (Trading and Other Income) Act 2005 ("ITTOIA 2005"), except where the EUA Linked Securities are held by an individual for the purposes of a trade.

On the basis of the above, any profits or losses arising to an individual on a disposal of a holding of the EUA Linked Securities (other than payments of interest) should be treated as giving rise to capital gains or allowable losses for the purposes of the Taxation of Chargeable Gains Act 1992, except where the EUA Linked Securities are held by an individual for the purposes of a trade. Where an EUA Linked Security is denominated in a non-sterling currency the chargeable gains or allowable losses will be determined by comparing the sterling equivalent of the purchase price (as determined using the exchange rate for the

date of acquisition) and the sterling equivalent of the disposal proceeds (as determined using the exchange rate for the date of disposal).

A gain arising in respect of an excluded indexed security is not treated as being income arising in respect of an interest in an offshore fund, even where the Issuer is, as here, not UK resident. Accordingly, as no charge is expected to arise under the offshore funds legislation each Series of the EUA Linked Securities will not be registered as an interest in a reporting offshore fund.

If the EUA Linked Securities are not treated as excluded indexed securities, they could be treated as deeply discounted securities as defined in section 430 of ITTOIA 2005, or as an interest in an offshore fund as defined in section 355 of the Taxation (International and Other Provisions) Act 2010.

If the EUA Linked Securities are treated as deeply discounted securities for UK tax purposes, any profit made by an individual on the disposal of an EUA Linked Security will be taxed as income. No relief is available for losses.

If the EUA Linked Securities are treated as an interest in an offshore fund for UK tax purposes, since the Issuer will not be registering each Series of EUA Linked Securities as an interest in a reporting offshore fund, any gain arising on a disposal of EUA Linked Securities will normally constitute income (rather than capital) for all purposes of UK taxation, unless an exemption applies. However, losses on disposals of EUA Linked Securities can be relieved only as a capital loss and thus cannot be offset against offshore income gains.

Holders within the Charge to UK Corporation Tax

The correspondence with HMRC regarding the tax treatment of the EUA Linked Securities did not address the tax treatment of corporate holders within the charge to UK corporation tax. There is no equivalent of the excluded indexed securities regime that applies for UK corporation tax purposes. It is considered probable that where such an investor holds such securities otherwise than for the purposes of a trade, any profits or losses arising on the EUA Linked Securities are likely to form part of its non-trading loan relationship profits for the purposes of Part 5 of the Corporation Tax Act 2009 (“**CTA 2009**”). This is because either:

- (i) an EUA Linked Security could be treated as loan relationship; or
- (ii) an EUA Linked Security could be treated as a prepaid cash settled forward over the Underlying EUAs, which would be treated as a contract for differences for the purposes of the Derivative Contracts Legislation that is contained in Part 7 CTA 2009.

Investors who are within the charge to UK corporation tax will need to seek their own advice as to the appropriate tax treatment of an EUA Linked Security for corporation tax purposes.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL UK TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF THE EUA LINKED SECURITIES. IN PARTICULAR, THE TAXATION TREATMENT OF ANY SERIES OF EUA LINKED SECURITIES MAY BE AFFECTED BY THE TERMS OF ISSUE OF THAT SERIES OF EUA LINKED SECURITIES AS SPECIFIED IN THE RELEVANT FINAL TERMS AND WILL DEPEND ON THE CLASSIFICATION OF THAT SERIES OF EUA LINKED SECURITIES FOR TAX PURPOSES AND THE INVESTOR’S OWN CIRCUMSTANCES. INVESTORS AND PROSPECTIVE INVESTORS SHOULD CONSULT APPROPRIATE TAX ADVISERS CONCERNING THE TAX CONSEQUENCES OF THE SPECIFIC SERIES IN QUESTION AND THEIR PARTICULAR SITUATION.

SUBSCRIPTION AND SALE

Only Authorised Participants may subscribe for EUA Linked Securities from the Issuer. At the date of this Base Prospectus, the Authorised Participant in respect of a Series of EUA Linked Securities is FLOW TRADERS B.V., which has its registered office at Jacob Bontiusplaats 9, 1018 LL, Amsterdam, The Netherlands. The identity of the Authorised Participant(s) will be updated from time to time at www.ubs.com/ETF (or such other website as may be notified to Securityholders).

EUA Linked Securities may be offered to any category of potential investors provided that the offer complies with the selling restrictions set out below in this “Subscription and Sale” section (the “**Selling Restrictions**”). In respect of jurisdictions other than those set out below, no person shall be permitted to distribute, sell or offer the EUA Linked Securities pursuant to this Base Prospectus other than in accordance with all applicable laws, regulations and directives in the relevant jurisdiction.

Selling Restrictions

European Economic Area

In relation to each member state of the European Economic Area (each a “**Member State**”), each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it has not made and will not make an offer of EUA Linked Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State, except that it may make an offer of such EUA Linked Securities to the public in that Member State:

- (a) if the final terms in relation to the EUA Linked Securities specify that an offer of those EUA Linked Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a “**Non-Exempt Offer**”), following the date of publication of a prospectus in relation to such EUA Linked Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-Exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants appointed by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of EUA Linked Securities referred to in (b) to (d) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of EUA Linked Securities to the public**” in relation to any EUA Linked Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the EUA Linked Securities to be offered so as to enable an investor to decide to purchase or subscribe for the EUA Linked Securities and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129, as amended.

Ireland

Each Authorised Participant represents, warrants and agrees in the relevant Authorised Participant Agreement that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite any EUA Linked Securities, or do anything in Ireland in respect of any EUA Linked Securities, otherwise than in conformity with the provisions of:

- (a) the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017) (as amended) and any codes of conduct issued in connection therewith, the provisions of the Investor Compensation Act 1998 (as amended) and the Investment Intermediaries Act 1995 (as amended) and it will conduct itself in accordance with any codes and rules of conduct, conditions, requirements, and any other enactment, imposed or approved by the Central Bank of Ireland (the “**Central Bank**”) with respect to anything done by it in relation to the Notes;
- (b) the Central Bank Acts 1942-2018 as amended, including any codes of conduct and rules made under Section 117(1) of the Central Bank Act 1989 (as amended), the Central Bank (Investment Market Conduct) Rules 2019 (S.I. No. 366 of 2019) and any regulations issued pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);
- (c) the European Union (Prospectus) Regulations 2019 (S.I. No. 380 of 2019), the EU Prospectus Regulation 2017/1129 and any rules issued under Section 1363 of the Companies Act 2014 (as amended) by the Central Bank;
- (d) (A) the Market Abuse Regulation (Regulation EU 596/2014); (B) the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU); (C) the European Union (Market Abuse) Regulations 2016 (S.I. No. 349 of 2016) (as amended); and (D) any rules issued by the Central Bank pursuant thereto and/or under Section 1370 of the Companies Act 2014 (as amended);
- (e) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs); and
- (f) the Companies Act 2014 (as amended),

as each of the foregoing may be amended, restated, varied, supplemented and/or otherwise replaced from time to time.

Switzerland

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement in relation to the EUA Linked Securities that it has complied and will comply with any laws, regulations or guidelines in Switzerland from time to time, including, but not limited to, any guidelines issued or recognised by FINMA in relation to the offer, sale, delivery or transfer of the EUA Linked Securities or the distribution of any offering material in Switzerland in respect of such EUA Linked Securities and that where the final terms in relation to any EUA Linked Securities specify that an offer of such EUA Linked Securities may be made to the public in Switzerland, that it will only make such an offer to the extent the Issuer has consented to the use of such final terms for the purposes of that offer.

United Kingdom

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it has not made and will not make an offer of EUA Linked Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom, except that it may make an offer of such EUA Linked Securities to the public in the United Kingdom:

- (a) if the final terms in relation to the EUA Linked Securities specify that an offer of those EUA Linked Securities may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following

the date of publication of a prospectus in relation to such EUA Linked Securities which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants appointed by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of EUA Linked Securities referred to in paragraphs (b) to (d) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of EUA Linked Securities to the public**” in relation to any EUA Linked Securities means the communication in any form and by any means of sufficient information on the terms of the offer and the EUA Linked Securities to be offered so as to enable an investor to decide to purchase or subscribe for the EUA Linked Securities and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of “retained EU law”, as defined in the EUWA.

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any EUA Linked Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any EUA Linked Securities in, from or otherwise involving the United Kingdom.

United States

The EUA Linked Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or under the securities law of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico, and the Issuer has not been and will not be registered under any federal laws of the United States of America. No person has registered nor will register as a commodity pool operator of the Issuer under the Commodity Exchange Act of 1936, as amended (the “**CEA**”) and the rules thereunder (the “**CFTC Rules**”) of the Commodity Futures Trading Commission (the “**CFTC**”). Any offer or sale of the EUA Linked Securities must be made in an offshore transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder (“**Regulation S**”). The EUA Linked Securities may not at any time be offered, sold, or otherwise transferred in the United States or to, or for the account or benefit of, persons who are either (a) U.S. persons as defined in Regulation S or (b) persons who do not come within the definition of a non-United States person under CFTC Rule 4.7 (excluding for the purposes of subsection (d) thereof, the exception to the extent it would apply to persons who are not non-United States persons).

The EUA Linked Securities may not be legally or beneficially owned by any entity that is, or that is using the assets of, (a)(i) an “**employee benefit plan**” (as defined in section 3(3) of the United States Employee

Retirement Income Security Act of 1974, as amended (“**ERISA**”)) that is subject to the fiduciary responsibility requirements of Title I of ERISA, (ii) a “**plan**” to which section 4975 of the Code applies, or (iii) an entity whose underlying assets include “**plan assets**” (as determined pursuant to the “**Plan Assets Regulation**” issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA) or otherwise under ERISA by reason of any such employee benefit plan’s or plan’s investment in the entity (any such plan or entity described in (i), (ii) or (iii), a “**benefit plan investor**”) or (b) a non-U.S. plan, governmental plan, church plan or other plan that is subject to any federal, state, local, non-U.S. or other law or regulation that is similar to the provisions of section 406 of ERISA or Section 4975 of the Code (a “**similar law**”) unless its acquisition and holding and disposition of any EUA Linked Security, or any interest therein, has not and will not constitute a violation of such similar law.

General

These Selling Restrictions may be modified by the agreement of the Issuer and the Authorised Participants following a change in a relevant law, regulation or directive. Any such modification may be set out in a supplement to this Base Prospectus if required.

None of the Issuer or any Authorised Participant represents that the EUA Linked Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Authorised Participant agrees in the relevant Authorised Participant Agreement that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers EUA Linked Securities or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Authorised Participant shall have responsibility therefor.

FORM OF FINAL TERMS¹²

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Final Terms dated [●]

HARP Issuer PLC (the “Issuer”)

Legal entity identifier (LEI): 6354004X7YVOLLD4FR65

Issue of [●] EUA Linked Securities of [●] under its Secured EUA Linked Issuance Programme (the “EUA Linked Securities”)

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 Base Prospectus dated [●] [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus for the purposes of [Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”)] [and] [Regulation (EU) 2017/1129 as it forms part of “retained EU law”, as defined in the European Union (Withdrawal) Act 2018 (as amended) (the “**UK Prospectus Regulation**”)] (the “**Base Prospectus**”). This document constitutes the final terms of the EUA Linked Securities described herein for the purposes of Article 8.4 of the [Prospectus Regulation] [and] [the UK Prospectus Regulation] and must be read in conjunction with the Base Prospectus in order to obtain full information on the Issuer and the offer of the EUA Linked Securities. The Base Prospectus is made available at www.ubs.com/ETF, at the registered office of the Issuer and at the specified office of the Issuing and Paying Agent. A summary of the individual issue is annexed to the Final Terms.

The EUA Linked Securities of this Series may also be listed on the official list of a stock exchange and admitted to trading on an exchange other than those listed in these Final Terms, but any such listing or admission to trading will be on the basis of a separate Final Terms prepared in connection therewith and which shall be identical to these Final Terms save for the information relating to listing and the associated disclosure and/or offering documents.

¹ In the event the Form of Final Terms are used to constitute the final terms in respect of EUA Linked Securities (i) listed on a non-UK stock exchange and admitted to trading on a non-UK market (a “**Non-UK Listing**”) and (ii) not offered to the public in the UK for the purposes of the UK Prospectus Regulation (a “**Non-UK Public Offer**”), all references to the UK Prospectus Regulation and related terms required by the UK Prospectus Regulation shall be deleted from the Form of Final Terms and all references to the Prospectus Regulation and related terms required by the Prospectus Regulation shall be retained.

² In the event the Form of Final Terms are used to constitute the final terms in respect of EUA Linked Securities (i) listed on a non-EEA stock exchange and admitted to trading on a non-EEA market (a “**Non-EEA Listing**”) and (ii) not offered to the public in the EEA for the purposes of the Prospectus Regulation (a “**Non-EEA Public Offer**”), all references to the Prospectus Regulation and related terms required by the Prospectus Regulation shall be deleted from the Form of Final Terms and all references to the UK Prospectus Regulation and related terms required by the UK Prospectus Regulation shall be retained.

All provisions in the Conditions corresponding to items in these Final Terms which are indicated as not applicable, not completed or deleted shall be deemed to be deleted from the Conditions.

GENERAL TERMS

1	Issuer:	HARP Issuer PLC
2	(i) Series:	[●]
	(ii) Tranche Number:	[●]
3	Specified Currency:	EUR
4	Aggregate Number of EUA Linked Securities:	
	(i) Of this Series immediately prior to Issue Date:	[●]
	(ii) Comprising the relevant Tranche of this Series:	[●]
	(iii) Immediately following Issue Date:	[●]
5	Issue Price per EUA Linked Security:	EUR [●]
6	EUA Entitlement per EUA Linked Security as at the Subscription Trade Date of the relevant Tranche of EUA Linked Securities of the Series (if not the first Tranche of EUA Linked Securities of the Series):	[●]
7	Series Issue Date:	[●]
	(i) Issue Date of Tranche (if not the first Tranche of EUA Linked Securities of the Series):	[●]
	(ii) Subscription Trade Date of Tranche:	[●]
	(iii) Date on which Board approval for issuance of EUA Linked Securities obtained:	[●]
8	Scheduled Maturity Date:	[●]
9	Interest:	No interest is payable on a periodic basis. A Specified Interest Amount may be payable as part of the Final Redemption Amount or Early Redemption Amount.
10	Minimum Denomination of relevant Tranche:	The EUA Linked Securities may be traded in integral multiples of one unit.
11	Name and address of Relevant Clearing System(s):	[[Euroclear]/[Clearstream, Luxembourg]/[●]]

PROVISIONS RELATING TO FEES

12 Total Expense Ratio as at the [●] per cent. per annum
Issue Date:

GENERAL PROVISIONS APPLICABLE TO THE EUA LINKED SECURITIES

13 Form of EUA Linked Securities: Registered Global Certificate which is exchangeable for
Definitive Registered Securities Certificate(s) in the
circumstances specified in the Registered Global Certificate

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of EUA
Linked Securities described herein pursuant to the Secured EUA Linked Issuance Programme.]

HARP ISSUER PLC

Signed by a duly authorised attorney:

.....

Part B – Other Information

1 LISTING

- (i) Listing and admission to trading: [Application has been made for the EUA Linked Securities to be admitted to the official list of [the United Kingdom Financial Conduct Authority]/[and Xetra]/[and SIX] and for the EUA Linked Securities to be admitted to trading on [the Main Market of the London Stock Exchange]/[and Xetra]/[and SIX].]
The earliest date on which the EUA Linked Securities will be admitted to trading on [the Main Market of the London Stock Exchange]/[and Xetra]/[and SIX] will be [●].]
[As at the date of these Final Terms, EUA Linked Securities of this Series have been admitted to trading on [the London Stock Exchange][and Xetra]/[and SIX].]
- (ii) Estimate of total net proceeds of the issue: [●] EUAs
- (iii) Estimate of the total expenses of the issue: EUR [●]/[●]
- (iv) Maximum number of EUA Linked Securities of the Series: [●]

2 RATINGS:

Ratings: Not Applicable

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

4 REASONS FOR THE OFFER

Reasons for the offer: [See section headed “*Reasons for the Offer and Use of Proceeds*” in the Base Prospectus.]/[●]

5 OPERATIONAL INFORMATION

ISIN: [●]
Common Code: [●]
Valor: [●]
WKN: [●]
Trading Method: Units
Minimum Trading Amount: At least one unit

Annex – Issue Specific Summary

[Issue specific summary to be inserted]

GENERAL INFORMATION

- 1 Issuer:** The Issuer has obtained all consents, approvals and authorisations (if any) which are necessary in Ireland at the date of the Base Prospectus in connection with the establishment of the Programme on 25 April 2024.
- 2 Language:** The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.
- 3 Information incorporated by reference:** Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus unless incorporated by reference into this Base Prospectus and have not been scrutinised or approved by the Central Bank of Ireland and the United Kingdom Financial Conduct Authority.
- 4 Incorporation:** The Issuer was incorporated on 21 November 2019.
- 5 Financial statements:** The Issuer has prepared audited financial statements for (i) the period from 1 January 2021 to 31 December 2021 and (ii) the period from 1 January 2022 to 31 December 2022. Such financial statements are incorporated by reference into and shall form part of this Base Prospectus.
- 6 No significant change:** There has been no significant change in the financial position of the Issuer or financial performance of the group and no material adverse change in the financial position or prospects of the Issuer, in each case, since 31 December 2022, being the date of the last published audited financial statements of the Issuer.
- 7 No legal proceedings:** There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), in the 12 months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.
- 8 Post-issuance:** The Calculation Agent will provide information regarding the EUA Entitlement per EUA Linked Security in respect of each calendar day and the Value per EUA Linked Security in respect of each Valuation Day on the website maintained on behalf of the Issuer at www.ubs.com/ETF (or such other website as may be notified to Securityholders in accordance with Condition 20 (*Notices*)).
- 9 Euroclear/Clearstream:** The EUA Linked Securities represent indebtedness of the Issuer. EUA Linked Securities may be accepted for clearance through any Clearing System including Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). EUA Linked Securities will be cleared through the Relevant Clearing System in whole numbers of EUA Linked Securities only (for these purposes an EUA Linked Security may be referred to as a unit by the Relevant Clearing System).

The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the CUSIP and CINS number and PORTAL system and identification number for each Series of EUA Linked Securities will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

The address of any other Clearing System that is a Relevant Clearing System for a Series of EUA Linked Securities will be specified in the relevant Final Terms.
- 10** For so long as EUA Linked Securities may be issued pursuant to the Base Prospectus and for so long as any listed EUA Linked Securities remain outstanding, the documents specified below will be available (i) in physical format, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Issuer and at the specified office of the Issuing and Paying Agent and (ii) at <https://harp-issuer.ie/> (or such other website as may be notified to Securityholders):

- 10.1** this Base Prospectus together with any supplement hereto;
- 10.2** the Master Trust Terms (which include the form of Registered Global Certificate);
- 10.3** the up-to-date constitution of the Issuer;
- 10.4** the directors' report and financial statements of the Issuer for the period from 1 January 2021 to 31 December 2021; and
- 10.5** the directors' report and financial statements of the Issuer for the period from 1 January 2022 to 31 December 2022.
- 11** Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the EUA Linked Securities and is not itself seeking admission of the EUA Linked Securities to any regulated market for the purposes of the Prospectus Regulation.

12 Terms of any Offer

Offer Price:	As individually agreed between an investor and the relevant Authorised Offeror.
Conditions to which the offer is subject:	Not applicable given the manner in which EUA Linked Securities will be offered.
Description of the time period, including any possible amendments during which the offer will be open and a description of the application process:	In respect of any EUA Linked Securities, offers may be made at any time during the period from and including the date of the Base Prospectus to (but excluding) the date falling 12 months after the date of the Base Prospectus. There is no application process for potential investors. Instead, each Authorised Offeror may offer to investors in agreed transactions.
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not applicable given the manner in which EUA Linked Securities will be offered. The EUA Linked Securities will not be the subject of an offer that asks for applications from potential investors and then reduces subscriptions and refunds any excess amount should those potential investors not be allocated EUA Linked Securities.
Details of the minimum and/or maximum amount of the application:	Not applicable given the manner in which EUA Linked Securities will be offered. The EUA Linked Securities will not be the subject of an offer that asks for applications from potential investors.
Details of the method and time limits for paying up and delivering the EUA Linked Securities:	As individually agreed between an investor and the relevant Authorised Offeror.
Description of the manner and date in which results of the offer are to be made public:	The Issuer will sell all EUA Linked Securities of a Series to one or more Authorised Participants on their issue. The Authorised Participants may act as market makers on stock exchanges and may also offer to the public in over-the-counter transactions during the offer period. The Authorised Participants are likely to hold EUA Linked Securities in inventory. The number of EUA Linked Securities issued will not vary based on the results of any offer (with any offer being agreed on an individual basis) and, as a result, there is no necessity to notify the public of the results of any offer.
Procedure for exercise of any right of pre-emption, negotiability of	Not applicable given the manner in which EUA Linked Securities will be offered.

subscription rights and treatment of subscription rights not exercised:

Tranche(s) which has/have been reserved for certain countries:

Not applicable given the manner in which EUA Linked Securities will be offered.

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

As described above, there will be no formal offer period prior to issue and there will be no applications process whereby allotments are required to be made. As a result, no notification of allotments is required. No dealing by an investor may take place until such investor has been delivered the relevant EUA Linked Securities.

Amount of any expenses and taxes specifically charged to the subscriber or investor:

As may be agreed between the investor and the relevant Authorised Offeror.

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:

Subject to the conditions (and in particular, the Selling Restrictions) set out in this Base Prospectus, any Authorised Offeror is entitled to make an offer in (i) Germany, Ireland, Liechtenstein and Spain in the context of an offer under the Prospectus Regulation, (ii) the UK in the context of an offer under the UK Prospectus Regulation, or (iii) Switzerland.

REGISTERED OFFICE OF THE ISSUER

HARP Issuer PLC
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Ireland

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United Kingdom

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
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United Kingdom

ISSUING AND PAYING AGENT

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Grand Duchy of Luxembourg

CALCULATION AGENT

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L-1855 Luxembourg
Grand Duchy of Luxembourg

REGISTRAR AND TRANSFER AGENT

UBS Europe SE, Luxembourg branch
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L-1855 Luxembourg
Grand Duchy of Luxembourg

EUA CUSTODIAN

UBS Europe SE, Luxembourg branch
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Grand Duchy of Luxembourg

CORPORATE SERVICES PROVIDER

Apex Corporate Services (Ireland) Limited
2nd Floor
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Dublin IE D01 P767
Ireland

ACCOUNT BANK

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EUA Disposal Agent

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