

AAFS SECURITISATION S.A.

(the “Company”)

ACTING IN RESPECT AND ON BEHALF OF ITS COMPARTMENT 6 (SW TOWERS)

(the “Issuer”)

7% SW Towers EUR Notes due February 2022

ISIN: CH0471282688

VALOR: 47128268

8% SW Towers USD Notes due February 2022

ISIN: CH0471282670

VALOR: 47128267

TERMS AND CONDITIONS

EUR 15,000,000

USD 15,000,000

dated

November, 01st, 2019

CONTENTS

1.	DEFINITIONS AND INTERPRETATION.....	3
2.	ISSUE DATE, ISSUE PRICE AND DENOMINATION OF THE NOTES.....	9
3.	TITLE AND TRANSFER OF NOTES	10
4.	TRANSACTION AGREEMENTS	11
5.	STATUS OF THE NOTES.....	11
6.	USE OF PROCEEDS FROM THE ISSUANCE OF THE NOTES	12
7.	DISPOSAL OF THE UNDERLYING ASSETS	13
8.	PAYMENT PRIORITIES	13
9.	FIXED INTEREST	14
10.	REDEMPTION	14
11.	PAYMENTS	15
12.	LIMITED RECOURSE.....	17
13.	NON PETITION.....	18
14.	TRANSFERABILITY OF THE NOTES.....	18
15.	REPRESENTATIONS AND WARRANTIES OF THE ISSUER	18
16.	COVENANTS OF THE ISSUER	19
17.	EVENTS OF DEFAULT	20
18.	TAXATION.....	20
19.	MEETINGS OF NOTEHOLDERS, MINOR MODIFICATIONS.....	20
20.	NO SHAREHOLDERS' RIGHTS.....	22
21.	SUBSTITUTION OF ISSUER.....	23
22.	NOTICES TO NOTEHOLDERS	24
23.	MISCELLANEOUS	24
24.	GOVERNING LAW	24
25.	JURISDICTION.....	24

AAFS SECURITISATION SA, a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, subject to the law of 22 March 2004 on securitisation, as amended, having its registered office at 17, Rue de Flaxweiler, L-6776 Grevenmacher and registered with the Luxembourg Trade and Companies Register under number B230362, acting in respect and on behalf of its Compartment 6 (SW Towers) will issue an aggregate principal amount of up to EUR 15,000,000,- unsecured notes due February 2022 and up to USD 15,000,000,- unsecured notes due February 2022.

1. DEFINITIONS AND INTERPRETATION

1.1. Definition

In these terms and conditions (the “**Terms and Conditions**”), the following definitions apply:

Acceleration	means the acceleration of the Loan in accordance with and subject to the terms of the Shareholder Loan Agreement, following the occurrence of an Event of Default thereunder.
Account Bank	means ISP Securities Ltd., a public limited liability company incorporated as a <i>Aktiengesellschaft</i> under the laws of Switzerland, having its registered office at Bellerivestrasse 45, 8008 Zürich, registered with the Handelsregisteramt des Kantons Zürich under number CHE-107.536.101.
Account Bank Agreement	has the meaning given to such term in Condition 4 (<i>Transaction Agreements</i>).
Articles of Association	means the articles of association of the Company.
Auditors	means the independent auditor appointed from time to time by the board of directors of the Company in accordance with the requirements of the Luxembourg Securitisation Law.
Borrower	has the meaning given to such term in Condition 6 (<i>Use of Proceeds from the Issuance of the Notes</i>).
Borrower’s Net Profit	means the net sales proceeds out of the Borrowers property after deduction of all project costs, especially costs for acquisition of the property and development costs (including costs for financing, project related costs, fees and other expenses), senior debts, loans, shareholder loans and invested shareholder equity.

Business Day	means any day other than a Saturday or Sunday on which banks are open for general business in Luxembourg and Switzerland.
Clearing System	means SIX SIS AG, Baslerstrasse 10, CH-4600 Olten, Switzerland or any other clearing system.
Company	means AAFS Securitisation S.A., a public limited liability company (<i>societe anonyme</i>) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 17, Rue de Flaxweiler, L-6776 Grevenmacher and registered with the Luxembourg Trade and Companies Register under number B230362.
Condition	means a condition under these Terms and Conditions.
Coupons	has the meaning given to such term in Condition 2.5 (<i>Definitive Notes</i>).
Definitive Notes	means the Notes issued in definitive bearer form.
Early Maturity Date	means 20 November 2020.
Enforcement Notice	has the meaning given to such term in Condition 17 (<i>Events of Default</i>).
EUR, euro or €	means the lawful currency for the time being of the Participating Member States.
Event of Default	has the meaning given to such term under Condition 17 (<i>Events of Default</i>).
Final Maturity Date	means 21 February 2022 . 21 February 2025 gemäß Offer for Prolongation vom 03.03.2022
Fixed Interest	means the amount accrued at the Fixed Interest Rate.
Fixed Interest Accrual Period	means each period from (and including) a Fixed Interest Payment Date to (but excluding) the following Fixed Interest Payment Date, provided that the first Fixed Interest Accrual Period shall begin on (and include) the Issue Date and end on (but exclude) the next Fixed Interest Payment Date.
Fixed Interest Payment Date	means each 20th March, 20th June, 20th September and 20th December of any calendar

	year.
Fixed Interest Rate	for EUR Notes means seven per cent (7%) per annum and for USD Notes means eight per cent (8%) per annum.
Global Note	means any permanent global note representing the Notes.
Insolvency Proceedings	means with respect to any person, the winding-up, liquidation, dissolution, bankruptcy, receivership, insolvency or administration of such person or any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated (or, if not a company or corporation, domiciled) or of any jurisdiction in which such person carries on business or has any assets including the seeking of an arrangement, adjustment, protection or relief of creditors.
Insolvent	means any person in respect of whom Insolvency Proceedings are initiated or opened, as applicable.
Interest	means the Fixed Interest.
Issue Date	means the date of issue of the Notes.
Issuer	means the Company, acting in respect and on behalf of its Compartment 6 (SW Towers).
Issuer Account	means the account number opened in the name of the Issuer in the books of the Account Bank.
Loan	has the meaning given to such term in Condition 6 (<i>Use of Proceeds from the Issuance of the Notes</i>).
Luxembourg	means the Grand Duchy of Luxembourg
Masse	has the meaning given to such term in Condition 19.1 (<i>Meetings of Noteholders, Minor Modifications</i>).
Masse Meeting	has the meaning given to such term in Condition 19.3 (<i>Appointment and Powers of the Representatives of the Masse</i>).
Maturity Date	means the Early Maturity Date and/or the Final Maturity Date

New Issuer	has the meaning given to such term in Condition 21 (<i>Substitution of Issuer</i>).
Noteholders	means the holders of the Notes.
Notes	means any present and future notes issued or to be issued by the Issuer under these Terms and Conditions.
Other Compartment	means any Compartment of the Company other than the Issuer.
Partial Redemption Date	has the meaning given to such term in Condition 10.3 (<i>Partial Redemption upon Repayment of Principal of Loans under the Facility</i>).
Participating Member State	means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.
Partnership Interest Pledge Agreement	has the meaning given to such term in Condition 6 (<i>Use of Proceeds from the Issuance of the Notes</i>).
Paying Agent	means ISP Securities Ltd, with registered office at Bellerivestrasse 45, 8034 Zürich, Switzerland.
Payment Date	means any Partial Redemption Date or Maturity Date.
Principal Amount Outstanding	means, on any day: (i) in relation to a Note, the principal amount of that Note upon issue less the aggregate amount of any principal payments in respect of that Note which have become due and payable (and been paid) on or prior to that date; and (ii) in relation to the Notes outstanding at any time, the aggregate of the amount in respect of all Notes outstanding.
Priority of Payments	has the meaning given to such term in Condition 8 (<i>Payment Priorities</i>).
Profit Participation	means 5% of the Borrowers Net Profits, after deduction of a prior ranking profit participation, which will be distributed pro rata and ranking pari passu to other lenders of the Borrower.

Property	means plot 345-0811 in the Burj Khalifa district, Dubai and any sub-unit such as residential, hotel, commercial unit to be authorized by relevant Competent Authority, 4 Basement levels and 2 towers of 32 floors & 30 floors, connecting bridge structure at the top.
Receipts	has the meaning given to such term in Condition 2.5 (<i>Definitive Notes</i>)
Registrar and Transfer Agent	has the meaning given to such term in Condition 4 (<i>Transaction Agreements</i>).
Representative	has the meaning given to such term in Condition 19.3 (<i>Appointment and powers of the representatives of the Masse</i>).
Securitisation Law	means the law of 22 March 2004 on securitisation, as amended from time to time.
Series	has the meaning given to such term in Condition 2.3 (<i>Series and Tranches</i>).
Series Masse	has the meaning given to such term in Condition 19.1 (<i>Meetings of Noteholders, minor Modifications</i>).
Series Masse Meeting	has the meaning given to such term in Condition 19.3 (<i>Appointment and powers of the representatives of the Masse</i>).
Series Senior Liabilities	means the share attributable to the Notes pro rata to the volume of the Series in <ul style="list-style-type: none"> (i) any operational fees, costs and expenses of the Issuer (including, but not limited to any legal and/or auditors' fees, costs and expenses, fees, costs and expenses payable to the corporate services provider of the Issuer, any other agents and service provider of the Issuer and any charges or expenses payable by, or on behalf of, the Issuer), (ii) any amounts (including, without limitation, any present and future taxes, duties, assessments or governmental charges) that may become payable by the Issuer to applicable tax, regulatory, statutory or other authorities in Luxembourg or any other jurisdiction from time to time,

	(iii) any costs and expenses of the Issuer relating to the acquisition, management, holding and disposal of the Underlying Assets, and
	(iv) any amounts that may become payable by the Issuer to any present and future creditors of the Issuer.
Shareholder Loan	has the meaning given to such term under Condition 6 (<i>Use of Proceeds from the Issuance of the Notes</i>).
Shareholder Loan Agreement	has the meaning given to such term under Condition 6 (<i>Use of Proceeds from the Issuance of the Notes</i>).
Talons	has the meaning given to such term in Condition 2.5 (<i>Definitive Notes</i>).
Target	means FL2 HOLDINGS LIMITED, a company incorporated under the laws of U.A.E., having its registered office at C/O BDO Chartered Accountants & Advisors, P.O. Box 1961, Dubai, U.A.E, registered under number 168478, or any other company holding directly or indirectly the Property.
Taxes	has the meaning given to such term in Condition 18.1 (<i>Taxation</i>).
Tranche	has the meaning given to such term in Condition 2.3 (<i>Series and Tranches</i>).
Transaction Agreements	has the meaning given to such term in Condition 4 (<i>Transaction Agreements</i>).
Transaction Documents	means these Terms and Conditions, the Shareholder Loan Agreement, the Transaction Agreements and any document entered in connection therewith and any other agreement to which the Issuer is party in relation to the issue of the Notes.
Underlying Assets	has the meaning given to such term in Condition 6 (<i>Use of Proceeds from the Issuance of the Notes</i>).
USD”, “\$”, “US Dollars	means the lawful currency of the United States of America.

1.2. **Interpretation**

- 1.2.1. Words importing the singular shall include the plural and vice versa.
- 1.2.2. Section headings are for ease of reference only.
- 1.2.3. In these Terms and Conditions, reference to any agreement, instrument or other document (howsoever named) is to such agreement, instrument or other document as it may be amended, restated or extended from time to time, whether before or after the date hereof.
- 1.2.4. Any reference to any person shall be construed to include such person's successors and assigns.
- 1.2.5. A reference to a law is a reference to that law as amended or re-enacted.

2. **ISSUE DATE, ISSUE PRICE AND DENOMINATION OF THE NOTES**

2.1. **Issue Date, Issue Currency and Denomination of the Notes Price**

The Notes are issued on 5th November, 2019 with a denomination of EUR 25,000 (EUR Notes) and USD 25,000 (USD Notes) each.

On the Issue Date, the Issuer issued up to 600 Notes for a total principal amount of EUR 15,000,000 (fifteen million euros) for EUR Notes and up to 600 Notes for a total principal amount of USD 15,000,000 (fifteen million US Dollar) for USD Notes (with reopening clause after Issue Date).

2.2. **Form**

The Notes are issued in bearer form.

2.3. **Series and Tranches**

The Company shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes in respect of the Other Compartments within the Company including Notes by Other Compartments with the same Underlying Assets as the Notes.

The Issuer may without the prior written consent of the general meeting of the Noteholders issue several tranches of notes (each, a "**Tranche**" or "**Tranches of Notes**").

As used herein, "**Tranche**" means Notes which are identical in all respects and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single Series and (ii) having the same Terms and Conditions and being identical in all respects except for their respective Issue Dates, first interest payment dates and/or subscription prices.

2.4. **Global Note**

Each Tranche of Notes will be represented by a Global Note in bearer form without Coupons or Receipts, which will be deposited on behalf of the subscribers of the Notes with a common depository (the "**Common Depository**") for the Clearing System on or about the Closing Date. Title to a Global Note will pass by delivery. The Global Note will only be exchangeable for Definitive Notes if the Clearing System is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so and no alternative Clearing System is available.

For so long as any Notes are represented by a Global Note, interests in such Notes will be transferable in accordance with the rules and procedures for the time being of the Clearing System.

2.5. **Definitive Notes**

Definitive Notes will, if issued, be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons ("**Coupons**"), receipts for payments of principal ("**Receipts**") and talons for further Coupons and Receipts (each, a "**Talon**") attached at the time of issue.

2.6. **Listing**

Within 12 months (calculated from the Issue Date), a listing will be arranged at a reputable and recognized stock exchange. The Issuer will check the necessary measures and initiate them promptly

2.7. **Rating**

The Notes will not be rated.

2.8. **No Purchase by Issuer**

The Issuer may not purchase any of the Notes.

3. **TITLE AND TRANSFER OF NOTES**

3.1. **General**

Subject to this provision, title to the Notes, Receipts and Coupons will pass by delivery and the Issuer and the Paying Agent may, except as ordered by a court of competent jurisdiction or as required by law, deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof.

3.2. **Notes represented by a Global Note**

For so long as any Notes are represented by a Global Note, interests in such Notes will be transferable in accordance with the rules and procedures for the time being of the Clearing System.

4. TRANSACTION AGREEMENTS

The following agreements have been entered into by the Company and/or the Issuer, as applicable in relation to the transaction (together with any other agreement that may be entered into from time to time by the Company and/or the Issuer, as applicable in relation to the transaction, referred to as the “**Transaction Agreements**”):

- (a) a Luxembourg law governed administration and calculation agreement (the “**Administration and Calculation Agreement**”) dated on or around the date hereof and entered into between the Company, acting on its own behalf and on behalf of any of its Compartments and AAFS Services SA, a public limited liability company (*societe anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 17, Rue de Flaxweiler, L-6776 Grevenmacher and registered with the Luxembourg Trade and Companies Register under number B208633 (the “**Administration and Calculation Agent**” which expression shall include any additional or successor administration and calculation agent, as applicable);
- (b) a Swiss law governed paying agency agreement (the “**Paying Agent Agreement**”); dated on or around the date hereof and entered into between the Company, acting on its own behalf and on behalf of any of its Compartments and ISP (the “**Paying Agent**” which expression shall include any additional or successor paying agent, as applicable),
- (c) a United Arab Emirates governed shareholder loan agreement dated on or around the date hereof and entered into between the Issuer as lender and FL2 Holdings Ltd. as Borrower (the “**Shareholder Loan Agreement**”);

The Issuer, the Administration and Calculation Agent and the Paying Agent shall in no way be liable to Debenture Bond Holders or third parties for

- (a) a negative performance of the Underlying Asset, the undertaking of payments using the Borrower or other payments of underlying values in accordance with these Terms of Issue associated with the Underlying Loan; or
- (b) decisions, acts or omissions by the Borrower or those people employed there as managing directors or supervisors, especially not for the undertaking or the omission of payments or the calculations, communications and statements made by the Borrower.

Copies of the Transaction Agreements are available for viewing at the registered office of the Company. The Noteholders are deemed to have notice of all the provisions of the Transaction Agreements, which are binding on them.

5. STATUS OF THE NOTES

The Notes, the Coupons and Receipts constitute direct, unsecured and limited recourse obligations of the Issuer. The Notes will not be obligations or responsibilities of any

person other than the Issuer.

The Notes do not represent an interest in, or constitute a liability or other obligation of any kind of the Company as such or any other Compartment of the Company, any Service Providers or any of their respective affiliates or any other third person or entity. The Notes are not, and will not be insured or guaranteed by any Service Providers or any of their affiliates or any other third person or entity and none of the foregoing assumes or will assume any liability or obligation to the holders of the Notes if the Issuer fails to make any payment due in respect of the Notes.

The Notes will be issued to grant the Shareholder Loan in accordance with the Company's articles of incorporation and the Securitisation Law.

The Notes of a same Series will rank equally amongst themselves and will rank equally with any other notes issued by the Issuer.

6. USE OF PROCEEDS FROM THE ISSUANCE OF THE NOTES

The proceeds from the issuance of the Notes shall, upon receipt, be credited to the Issuer Account and applied as follows:

- 1) first, to finance the acquisition of 0,1% of the share capital in FL2 HOLDINGS LIMITED, a company incorporated under the laws of U.A.E., having its registered office at C/O BDO Chartered Accountants & Advisors, P.O. Box 1961, Dubai, U.A.E, registered under number 168478 (the "**Borrower**"); and
- 2) second, to grant the EUR and USD Shareholder Loans (as defined hereunder) to the Borrower (as defined hereunder)

(all also referred to as the "**Underlying Assets**").

The Issuer will apply the proceeds of the Notes, after payment of acquisition of the share capital, together with the proceeds of other series of notes issued by the Issuer, to grant a multicurrency shareholder loan agreement governed by the laws of the United Arab Emirates with the Borrower (the "**Shareholder Loan Agreement**"), pursuant to which the Issuer agrees to make available to the Borrower a EUR shareholder loan in the aggregate maximum principal amount of up to EUR 15,000,000 (the "EUR Shareholder Loan") and a USD shareholder loan in the aggregate maximum principal amount of up to USD 15,000,000 (the "USD Shareholder Loan", and, together with the EUR Shareholder Loan, the "**Shareholder Loans**").

The Shareholder Loans will be negotiated, finalized and serviced by the Administration and Calculation Agent.

The Borrower shall apply any loan drawn under the Shareholder Loan (each, a "**Loan**") towards the development of the Property, as applicable.

The Borrower will have other creditors than the Issuer under the Shareholder Loan Agreement.

The Property is or will be subject to prior ranking liens granted by the Borrower in favour

of various banks, including, but not limited to, Emirates NBD, to secure the Borrower's obligations toward such banks.

7. DISPOSAL OF THE UNDERLYING ASSETS

In accordance with Article 61 of the Securitisation Law, the Issuer may transfer a loan drawn under the Shareholder Loan in accordance with and subject to these Terms and Conditions.

The Issuer may assign or transfer all or any part of its rights under the Loans without the prior written consent of the Noteholders as further described of the Shareholder Loan Agreement or upon the occurrence of an event of default in respect of the Loans as further described in the Shareholder Loan Agreement.

8. PAYMENT PRIORITIES

On each Payment Date, the Paying Agent, on behalf of the Issuer, shall make the following payments or provisions, if due and payable, in the following order of priority (the "**Priority of Payments**") but, in each case, only to the extent that there are funds available for the purpose and all payments or provisions, including but without limitation the legal reserve, of a higher priority that fall due to be paid or provided for on such day have been made in full:

- 1) **First**, pay all fees, costs, taxes, duties, ongoing expenses, indemnity payments and any other amounts payable due by the Issuer
- 2) **Second**, pay *pari passu* and *pro rata* according to the respective amounts thereof, the Acquisition amounts not paid pursuant to 1) above, if not already paid with the proceeds of the issuance of the Notes as per Condition 6 (*Use of proceeds from the issuance of the notes*) above;
- 3) **Third**, pay, *pari passu and pro rata*, Fixed Interest due and payable on the Notes; and
- 4) **Fourth**, *pari passu and pro rata*, pay principal on the Notes; and
- 5) **Fifth**, *pari passu and pro rata*, pay Profit Participation due and payable on the Notes.

The holders of the EUR Notes and the USD Notes are entitled to receive their share of the Profit Participation after redemption or maturity of the Notes, provided the sale of the Property has been completed and the shareholder loans have been repaid prior to such redemption or maturity. If the sale of the Property and the repayment of the shareholder loan is completed after the redemption or maturity of the Notes, the Noteholders are entitled to receive their share of the Profit Participation without undue delay from the receipt of the proceeds of the sale of the Property.

Subject to the foregoing, Profit Participation is to be paid in accordance with Priority of Payments and will be proportional to the amount of Notes held at maturity by the

Noteholders. Noteholders are obliged to provide evidence of holding towards the issuer within 4 weeks after redemption or maturity of the notes.

9. FIXED INTEREST

- 9.1. Without prejudice to the provisions contained in Condition 12 (*Limited Recourse*), the Noteholders are entitled to receive from the Issuer Fixed Interest on the Principal Amount Outstanding.
- 9.2. Fixed Interest shall accrue on a yearly basis and be calculated on the basis of a year of 360 days for the actual number of days elapsed.
- 9.3. Fixed Interest accrued during a Fixed Interest Accrual Period shall be due and payable in arrears by the Issuer to the Noteholders on the relevant Fixed Interest Payment Date or on the Maturity Date, as applicable, and in accordance with Condition 8 (*Payment Priorities*).

10. REDEMPTION

All Notes redeemed shall be cancelled and may not be reissued or sold.

10.1. Redemption at Final Maturity Date

Unless previously redeemed as provided for in this Condition, the Issuer shall redeem all the Notes at their Principal Amount Outstanding plus accrued Fixed Interest and available Profit Participation on the Final Maturity Date in accordance with the Payment Priorities applicable under Condition 8 (*Payment Priorities*).

10.2. Redemption at Early Maturity Date

Unless previously redeemed as provided for in this Condition, the Issuer may redeem all the Notes at their Principal Amount Outstanding plus accrued Fixed Interest on the Early Maturity Date in accordance with the Payment Priorities applicable under Condition 8 (*Payment Priorities*).

The Issuer shall notify the Noteholders with one month notice prior to the Early Maturity Date whether the Notes shall be redeemed at the Early Maturity Date.

10.3. Partial Redemption upon Repayment of Principal of Loans under the Shareholder Loan

If the Borrower repays principal on the Loans prior to the term of the Shareholder Loan Agreement, subject to and in accordance with the terms of the Shareholder Loan Agreement, the Issuer shall (i) allocate the principal thus repaid on a pro rata basis to the different Series of Notes the proceeds of which have been made available to the Borrower under the Shareholder Loan Agreement and (ii) apply the part of principal thus received and allocated to the Notes to partially prepay the Principal Amount Outstanding of the Notes upon receipt by the Issuer of proceeds of principal under the

Shareholder Loan in accordance with the terms of the Shareholder Loan Agreement (each such date a **Partial Redemption Date**), up to a maximum aggregate amount such that, after that prepayment has been made, the Principal Amount Outstanding of each Note is not less than EUR 1 / USD 1 (one Euro / one US Dollar).

On or after partial redemption of the Notes in accordance with this Condition 10.3 (*Partial Redemption upon Repayment of Principal of Loans under the Shareholder Loan*), the Issuer shall give notice of any partial redemption to the Noteholders, specifying (i) the relevant Partial Redemption Date, (ii) the absolute cash amount repaid as principal under the Shareholder Loan, the part thereof attributable to the Notes and the amount allocable to each Note, and (iii) the Principal Amount Outstanding of each Note after the prepayment has been made.

10.4. **Redemption upon Acceleration**

If the Shareholder Loan is accelerated in accordance with the terms of the Shareholder Loan Agreement, the Issuer shall give notice thereof to the Noteholders as soon as reasonably practicable and shall redeem the Notes at their Principal Amount Outstanding plus accrued Fixed Interest upon receipt of proceeds in respect of the Shareholder Loan.

10.5. **Redemption upon occurrence of an Event of Default**

Upon delivery of an Enforcement Notice in accordance with Condition 17 (*Events of Default*), the Issuer shall redeem all or part of the Notes (as indicated in such notice) at their Principal Amount Outstanding plus accrued interest in accordance with the Priority of Payments applicable under Condition 8 (*Payment Priorities*).

11. **PAYMENTS**

11.1. **Payments on Global Notes**

Payments of principal and interest in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note (against presentation or surrender (as the case may be) of such Global Note at the specified office of the Paying Agent). On the occasion of each payment, a record of such payment made on such Global Note, distinguishing between any payment of principal and any payment of interest will be made on such Global Note by the Paying Agent, and such record shall be prima facie evidence that the payment in question has been made.

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of the Clearing System as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to the Clearing System for his share of each payment so made by the Paying Agent (on behalf of the Issuer) to, or to the order of, the holder of such Global Note.

11.2. **Payments on Definitive Notes**

Payments of principal in respect of Definitive Notes will (subject as provided below) be made only against surrender of Definitive Notes, and payments of interest in respect of Definitive Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of the Paying Agent.

Payments of instalments of principal in respect of Definitive Notes (if any), other than the final instalment, will (subject as provided below) be made only against surrender of the relevant Receipt. Payment of the final instalment will be made only against surrender of the relevant Definitive Note. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

- 11.3. All payments of Interest and principal in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the jurisdiction of the Issuer and in any other applicable jurisdictions.
- 11.4. If the Issuer becomes subject at any time to any taxing jurisdiction other than the jurisdiction of the Issuer, reference in these Terms and Conditions to the jurisdiction of the Issuer shall be construed as reference to the jurisdiction of the Issuer and/or such other jurisdiction.
- 11.5. If the due date for payments of Interest or principal is not a Business Day, a Noteholder shall not be entitled to receive a payment of the amount due until the next following Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

- 11.6. Payments of principal, Interest and redemption amounts under the Notes shall be made in EUR and USD, unless otherwise determined by the Board of Directors.
- 11.7. The Paying Agent, on behalf of the Issuer, shall make the payments provided for in these Terms and Conditions, in accordance with the calculations made by the Administration and Calculation Agent.
- 11.8. All payments to Noteholders shall be subject to the condition that if a payment is made to a Noteholder in breach of these Terms and Conditions, such Noteholder shall repay the amount so received to the Issuer Account. The Issuer shall then pay out the moneys so received in the way they were payable in accordance with these Terms and Conditions. If such repayment is not enforceable, the Issuer is authorised to make further payments in a way that any over-payments or under-payments made in breach of these Notes Terms and Conditions are set-off by correspondingly decreased or increased payments on any applicable Payment Date.

12. LIMITED RECOURSE

The Notes are unsecured direct and limited recourse obligations of the Issuer.

The Issuer's ability to satisfy its payment obligations under the Notes and its operating and administrative expenses will be wholly dependent upon receipt by it in full of payments of amounts payable under the Underlying Assets.

Other than the foregoing, the Issuer will have no other funds available to meet its obligations under the Notes and the Notes will not give rise to any payment obligation in excess of the foregoing. Recourse to the Issuer shall be limited to the assets of the Issuer and the proceeds thereof applied in accordance with these Terms and Conditions. If the aforementioned assets and proceeds prove ultimately insufficient (after payment of all claims ranking in priority to amounts due under the Notes) to pay in full all principal and profits on the Notes, then the Noteholders shall have no further recourse against the Issuer or any other person for any shortfall arising or any loss sustained.

Neither the Company nor the Issuer or any other Compartment of the Company shall be liable for any shortfall arising and the Noteholders shall not have any further claims against the Issuer, the Company or any other Compartment of the Company.

The assets of the Issuer and the proceeds thereof are the only remedy available to the Noteholders for the purpose of recovering amounts payable in respect of the Notes.

Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when the Issuer certifies to the Noteholders that no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders, and neither assets nor proceeds will reasonably likely be so available thereafter.

In respect of the Notes, the Noteholders shall, once such assets and proceeds are deemed to be ultimately insufficient, have thereafter neither further claims against the

Issuer, the Company or any other Compartment of the Company nor have recourse to the Issuer, the Company, any other Compartment of the Company or any other person for the loss sustained and their claims shall be extinguished.

13. NON-PETITION

Without prejudice to the other provisions of these Conditions, each of the Noteholders acknowledges and agrees that, none of the Noteholders nor any party on its behalf shall initiate or join any person in initiating any Insolvency Proceedings in relation to the Issuer or the Company provided that this Condition shall not prevent any Noteholder from taking any steps against the Issuer or the Company which do not amount to the initiation or the threat of initiation of any Insolvency Proceedings in relation to the Issuer or the Company or the initiation or threat of initiation of legal proceedings.

14. TRANSFERABILITY OF THE NOTES

14.1. Transfers or disposals

All transactions (including transfers of Notes) in the open market or otherwise must be effected through an account at the Clearing System, subject to and in accordance with the rules and procedures for the time being of the Clearing System, and title will pass upon registration of the transfer in the books of the Clearing System.

Owners of interests in a Global Note will, subject to proof of ownership of such interest, be entitled to proceed directly against the Issuer either individually or collectively, following the appointment of a Representative.

14.2. Replacement of Notes, Coupons, Receipts and Talons

If any Note, Coupon, Receipt or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Paying Agent, subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons, Receipts or Talons must be surrendered before replacements will be issued.

15. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer hereby represents and warrants that:

- (a) it is a Compartment of a *société anonyme* duly incorporated and validly existing under the laws of the Grand Duchy of Luxembourg;
- (b) it has the power, authority and legal right to grant the Loan;
- (c) it has full capacity, power, authority, legal right and lawful authority to perform all its obligations under these Terms and Conditions; and

- (d) it is not subject to any bankruptcy proceedings (*faillite*) or proceedings for voluntary arrangement with its creditors (*concordat préventif de faillite*), controlled management (*gestion contrôlée*) or suspension of payments (*sursis de paiement*) or any foreign law proceedings having similar effects.

16. COVENANTS OF THE ISSUER

16.1. The Issuer hereby covenants that, so long as any of the Notes remains outstanding, it will:

- (a) at all times keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow free access to the same at all reasonable times during normal business hours and to discuss the same with responsible officers of the Issuer;
- (b) give notice in writing to the Noteholders forthwith upon becoming aware of any event of default under the Shareholder Loan Agreement;
- (c) give notice in writing to the Noteholders forthwith upon becoming aware of any Event of Default;
- (d) at all times comply with and perform all its obligations under the Transaction Documents including all of its obligations under, and in respect of, the Notes and use all reasonable endeavours to procure that the other parties hereto comply with and perform all their respective obligations thereunder;
- (e) promptly give notice to the Noteholders if it is required by law to withhold or account for tax in respect of any payment due in respect of the Notes or if it becomes liable to tax in respect of its income.

16.2. Without prejudice to any securitisation activities that the Company might undertake using other Compartments, the Issuer agrees that, without the prior written consent of the Noteholders, it will not:

- (a) engage in any activity which is not reasonably incidental to any of the activities which these Terms and Conditions and/or the Transaction Agreements provide or envisage;
- (b) have any subsidiaries or premises or purchase, own, lease or otherwise acquire any real property (other than premises at its registered office in Luxembourg);
- (c) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any indemnity or assume any liability whatsoever, except as permitted pursuant to these Terms and Conditions and/or the Transaction Agreements;
- (d) dispose of any of its assets, except as permitted pursuant to these Terms and Conditions and/or the Transaction Agreements;
- (e) create or permit to subsist any mortgage, pledge, lien (unless arising by operation

of law) or charge upon, or sell, transfer, assign, exchange or otherwise dispose of, the whole or any part of, its assets, present or future (including any uncalled capital) or its undertaking other than pursuant to these Terms and Conditions and/or the Transaction Agreements;

- (f) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person; or
- (g) permit the validity or effectiveness of these Terms and Conditions and/or the Transaction Agreements to be impaired or permit these Terms and Conditions and/or the Transaction Agreements to be amended, hypothecated, subordinated, terminated or discharged, or permit any person to be released from any covenants or obligations with respect to these Terms and Conditions and/or the Transaction Agreements, except as may be expressly permitted hereby or by the Transaction Agreements.

17. EVENTS OF DEFAULT

If at any time and for any reason, whether within or beyond the control of the Issuer, any of the following events occurs (each an “**Event of Default**”):

- (a) The Issuer fails to make any payment under the Notes, whether principal or Interest, when due and such failure to pay is not remedied within one hundred eighty (180) days; or
- (b) any corporate action is, or any legal proceedings or other steps are, taken or engaged against the Issuer for the commencement of any proceedings of bankruptcy (*faillite*), insolvency, liquidation, moratorium or reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement or composition with creditors, reorganisation or any similar proceedings under Luxembourg or foreign law affecting the rights of creditors generally; or
- (c) the introduction of, or a change in, any applicable law or regulation or any other event, which makes it unlawful for the Issuer to give effect to or maintain its obligations under the Notes,

the Masse Meeting (or the Representative of the Noteholders appointed in accordance with Condition 20) may by written notice (the “**Enforcement Notice**”) to the Issuer declare that the Issuer must dispose of all or part of the Underlying Assets to a transferee and at a price, which are approved by general meeting of the Noteholders, and redeem all or part of the Notes at their Principal Amount Outstanding plus accrued interest in accordance with the Priority of Payments applicable under Condition 9 and these Terms and Conditions.

18. TAXATION

18.1. Taxation

Payments in respect of the Notes shall only be made after the deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (collectively, "**taxes**") under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political sub-division thereof or government agency therein authorised to levy taxes, to the extent that such deduction or withholding is required by law. The Issuer and/or the Paying Agent shall account for the deducted or withheld taxes with the competent government agencies and shall, upon reasonable request of a Noteholder, provide evidence thereof.

18.2. **No Gross-Up**

The Notes do not provide for gross-up payments in the case that any amount payable under the Notes is or becomes subject to income taxes (including withholding taxes) or taxes on capital. If any withholding or deduction on account of taxes is imposed with respect to payments by the Issuer under the Notes, the amounts payable by the Issuer under the Notes will be reduced by the amount of such withholding or deduction.

19. **MEETINGS OF NOTEHOLDERS, MINOR MODIFICATIONS**

19.1. Noteholders of each Series will belong to a masse (the "**Series Masse**" and all Series Masse together the "**Masse**") created, among other things, for the representation of their common interests pursuant to the provisions of the Companies Law.

19.2. The provisions of Article 470-13 and Article 470-15 of the Companies Law do not apply.

19.3. **Appointment and powers of the representative of the Masse**

A general meeting of the Noteholders (the "**Masse Meeting**") or of the Noteholders of a Series of Notes (the "**Series Masse Meeting**") or a court order may appoint and determine the powers of one or more representatives (the "**Representatives**"). Where Representatives have been appointed, Noteholders may no longer individually exercise their rights against the Issuer.

19.4. **Convening of Masse Meetings or Series Masse Meeting**

A Masse Meeting or a Series Masse Meeting may be called at any time by the Representatives (if any), the Board of Directors or the Auditor. The Representatives (if any), provided an advance on expenses has been paid to them by the Issuer, or the Board of Directors or the Auditor, must convene (i) the Masse Meeting if called upon to do so by holders of Notes representing 10 per cent. or more of the Notes outstanding, and (ii) the Series Masse Meeting if called upon to do so by holders of Notes of the relevant Series representing 10 per cent. or more of the Notes of the relevant Series outstanding.

Meetings of Noteholders will be convened by notices sent in accordance with Condition 22 (*Notices to Noteholders*) below. All Masse Meetings or Series Masse Meetings, as applicable, shall be held at the place specified in the notice calling the meeting. All Noteholders (of the relevant Series, in the case of a Series Masse Meeting) have the right to attend and vote at the Masse Meeting or Series Masse Meeting, as applicable

either personally or by proxy. Any Noteholder who participates in a Masse Meeting or Series Masse Meeting by conference-call, video-conference or by any other means of communication which allow such Noteholder's identification and which allow that all the persons taking part in the meeting hear one another on a continuous basis and may effectively participate in the meeting, is deemed to be present for the computation of quorum and majority.

19.5. Conduct and powers of Masse Meetings or Series Masse Meeting

The voting rights attached to the Notes are equal to the proportion of the principal amount of the Notes held by the relevant Noteholders. Each Note gives the right to at least one vote.

A Masse Meeting or a Series Masse Meeting, as applicable, may be called to approve certain changes in the rights of the relevant Noteholders and may, generally, determine any measures designed to ensure the defence of interests or the exercise of the rights of the relevant Noteholders in accordance with the provisions of the Companies Law.

A Masse Meeting must be called when it is proposed that the corporate object or the legal form of the Issuer is amended or the security interests granted pursuant to the Share Pledge Agreement is enforced.

A Masse Meeting or a Series Masse Meeting, as applicable, may deliberate validly without a quorum and by vote of a simple majority of Noteholders attending or represented at such Masse Meeting or Series Masse Meeting, as applicable, on the appointment and revocation of the Representatives, the revocation of special representatives appointed by the Issuer and the approval of any measures of a conservatory nature in the general interests of the Noteholders. On all other matters, the Masse Meeting or the Series Masse Meeting, as applicable, may deliberate validly on first convocation only if Noteholders present or represented hold at least 50 per cent. of the Notes then outstanding. If this condition is not fulfilled, a new meeting shall be convened. On second convocation no quorum is required. Decisions at such meetings shall be taken by a majority of two thirds of the votes cast by Noteholders attending such meetings or represented thereat. Where a resolution may change the respective rights of Noteholders holding Notes of different Series it must, in order to be valid, fulfil, as regards each Series of Notes, the conditions as to attendance and majority above described.

19.6. Minor Modifications and Corrections

The Issuer may implement, without the consent of the Noteholders to any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders as soon as practicable thereafter.

20. NO SHAREHOLDERS' RIGHTS

The Notes do not confer shareholders' rights in the Issuer, in particular no right to attend, participate and vote in shareholders' meetings, except if permitted under the

Companies Law.

21. SUBSTITUTION OF ISSUER

21.1. General

The Noteholders may agree to the substitution, in place of the Issuer (or of any previous substitute hereunder) of another entity (the “**New Issuer**”) as debtor in respect of all obligations arising under or in connection with the Notes and the Transaction Agreements, provided that:

- (a) the New Issuer assumes all rights and duties of the Issuer in respect of the Notes and under the Transaction Agreements;
- (b) the New Issuer has obtained all necessary authorisations and governmental approvals in the country in which it has its registered office and is in a position to fulfil all its obligations in respect of the Notes without discrimination against the Noteholders in their entirety;
- (c) the New Issuer may pay in the currency required hereunder and without being obliged to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the New Issuer has its domicile or tax residence from any payments due under the Notes and the substitution shall not result in any withholding or deduction of taxes on the amounts payable under the Notes which would not arise if there was no such substitution; and
- (d) the Issuer and the New Issuer enter into such agreements and execute such documents as considered necessary by the New Issuer for the effectiveness of the substitution.

Upon fulfilment of the above conditions, the New Issuer shall in every respect substitute the Issuer and the Issuer shall be released from all its obligations to the Noteholders as issuer of the Notes except for the obligations assumed with respect to the substitution.

21.2. Notice to Noteholders

The New Issuer shall give notice of the substitution to the Noteholders pursuant to Condition 22 (*Notices to Noteholders*).

21.3. Effect of Substitution

Upon the substitution, each reference to the Issuer in the Terms and Conditions shall from then on be deemed to be a reference to the New Issuer and any reference to the country in which the Issuer has its registered office, domicile or residency for tax purposes, as relevant, shall from then on be deemed to be a reference to the country in which the New Issuer has its registered office, domicile or residency for tax purposes, as relevant.

22. NOTICES TO NOTEHOLDERS

Until such time as any Definitive Notes are issued, there shall, so long as Global Notes representing the Notes are held in their entirety on behalf of the Clearing System, be delivery of the relevant notice to the Clearing System for communication by them to the Noteholders. Any such notice will be deemed to have been given on the date of delivery to the Clearing System.

23. MISCELLANEOUS

23.1. Place of Performance

Place of performance of the Notes shall be Luxembourg, Grand Duchy of Luxembourg.

23.2. Partial Invalidity

Without prejudice to any other provision hereof, if one or more provisions hereof is or becomes invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any person or entity, or if the Issuer becomes aware of any omission hereto of any terms which were intended to be included herein, such invalidity, illegality, unenforceability in such jurisdiction or with respect to such person or entity or such omission shall not, to the fullest extent permitted by applicable law, render invalid, illegal or unenforceable such provision or provisions in any other jurisdiction or with respect to any other person or entity hereto. Such invalid, illegal or unenforceable provision or such omission shall be replaced by the Issuer, without the consent of the Noteholders, with a provision which comes as close as reasonably possible to the commercial intentions of the invalid, illegal, unenforceable or omitted provision.

23.3. Prescription

Any claims against the Issuer under the Notes, whether in respect of principal, Interest or otherwise, shall become barred by limitation (*prescrits*) on the tenth anniversary of the Final Maturity Date.

24. GOVERNING LAW

The form and content of the Notes and all of the rights and obligations of the Noteholders and the Issuer under the Notes shall be governed by and shall be construed in accordance with the laws of Luxembourg. The Issuer is governed by the Securitisation Law. Articles 470-3 through 470-20 of the Companies Law shall apply, except for the second paragraph of Article 470-13 and Article 470-15 and except as otherwise set out herein.

25. JURISDICTION

The exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes shall be the courts of Luxembourg, Grand Duchy of

Luxembourg. The Issuer and the Noteholders hereby submit to the jurisdiction of such courts.