

INFORMATION MEMORANDUM

MARE BALTIC PCC LIMITED

*(incorporated as a protected cell company with limited liability in Guernsey
and with registered number 40490)*

€1,000,000,000 STRUCTURED NOTE PROGRAMME

The Structured Note Programme (the “**Programme**”) has been established by Mare Baltic PCC Limited (“**Mare Baltic**”) for the issuance of limited recourse secured debt instruments (the “**Notes**”) which will initially be issued by Mare Baltic. Other companies may become issuers under the Programme following publication of an Information Memorandum Addendum in relation to such company. References in this Information Memorandum to the “**Issuer**” shall be construed as references to Mare Baltic and each other Issuer whose name appears in an Information Memorandum Addendum and in the context of the issue of a particular Series of Notes shall be construed as a reference to the Issuer or Issuers of the Notes of such Series. Capitalised terms used in this Information Memorandum which are not defined elsewhere have the meaning given to them in the Terms and Conditions of the Notes herein.

Notes will be secured as described herein and denominated in such currencies as may be agreed with the dealer specified below (the “**Dealer**”, which expression shall include any additional Dealer appointed under the Programme from time to time, each a “**Dealer**” and together, the “**Dealers**”, which appointment may be for the issue of a specific Series or Tranche of Notes or generally in respect of the Programme). Subject as set out herein, the maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed the amount specified above (or its equivalent in other currencies at the date of issue of the Notes). Notes may be issued on a continuing basis in bearer or registered form (respectively “**Bearer Notes**” and “**Registered Notes**”).

Payments of principal and/or interest on Notes are dependent upon:

- (i) payments being received by the Issuer in respect of one or more specified assets to be acquired by the Issuer in relation to the relevant Series or Tranche of Notes (the “**Repackaging Assets**”) (as to which see page 12) and payments being received under certain Related Agreements (as to which see page 14), or
- (ii) payments being received or having to be made by the Issuer under certain Related Agreements, including payments linked to the creditworthiness or occurrence of one or more credit-related events, performance of obligations or other factors occurring in relation to one or more entities or obligations or the price, value or performance of one or more indices or other formulae (such reference entities, obligations, indices and formulae being the “**Reference Assets**”), or in respect of certain Related Assets (as to which see page 13).

The Repackaging Assets, the rights under the Related Agreements and the Related Assets are together described herein as the “**Charged Assets**”. The Repackaging Assets and the Reference Assets are together described herein as the “**Underlying Assets**”.

If the amounts received from or in respect of the Charged Assets (whether or not any security granted in respect thereof has been enforced) are insufficient to make payment of all amounts due in respect of the Notes of the relevant Series or Tranche and all other obligations attributable to that Series or Tranche (after meeting the Trustee’s, the Agents’, any Custodian’s, the Registrar’s and any receiver’s expenses, liabilities and remuneration and any other amounts that rank in priority to the Notes of that Series or Tranche) no other assets of the Issuer will be available to meet that shortfall and all further claims of the Holders in respect of such Notes will be extinguished.

The date of this Information Memorandum is 1 November 2004.

Arranger and Dealer

**HSH NORDBANK AG,
COPENHAGEN BRANCH**

Each Issuer will be established as a Protected Cell Company in Guernsey and each Series will be issued from a separate cell established as a segregated cell in accordance with the Guernsey Protected Cell Companies Ordinance, 1997 to 1998 (as amended) and the only assets available to a Series of Notes will be the cellular assets attributable to the relevant cell. For more information on protected cell companies, see page 27.

Notes may be either cash-settled Notes or physically-settled Notes.

A Series of Notes may comprise a number of Tranches, which will be issued on identical terms save for the issue date and first payment of interest. Notes of different Tranches of the same Series will be fungible except as provided in the Applicable Supplement (as defined below).

Notes of a Series may be issued in various classes (as further specified in the Applicable Supplement) which classes will rank in priority of payment in the order specified in the Supplemental Trust Deed applicable to such Series of Notes and as described in the Applicable Supplement.

Details of the aggregate principal amount, interest (if any) payable, the issue price, the Repackaging Assets or the Reference Assets, the Related Assets and any other terms and conditions not contained herein or which amend the terms and conditions contained herein, including any security, which are applicable to each Series or Tranche of Notes will be set forth in a supplement hereto (a "**Pricing Supplement**") which, with respect to Notes to be admitted to listing on the Copenhagen Stock Exchange A/S (*Københavns Fondsbørs A/S*) (the "**Copenhagen Stock Exchange**"), will constitute and be named a "**Supplemental Information Memorandum**" and will be delivered to the Copenhagen Stock Exchange on or around the date of issue of such Series. The Pricing Supplement or Supplemental Information Memorandum in relation to the issue of a particular Series or Tranche of Notes shall be referred to as the "**Applicable Supplement**" for such issue of Notes. Certain other terms applicable to each Series or each Tranche of Notes, including any security, will be specified in a supplement (each a "**Supplemental Trust Deed**") to the Principal Trust Deed (as defined below).

Application has been made for the Notes to be issued under the Programme by Mare Baltic to be listed on the Copenhagen Stock Exchange. Notes may be listed or traded on such other or further stock exchange(s) as may be specified in the relevant Information Memorandum Addendum or in the Applicable Supplement. Unlisted Notes may also be issued under the Programme.

Where the regulations of the Copenhagen Stock Exchange require announcement of a material event which occurs subsequent to the date of this Information Memorandum, such event will be announced through the Copenhagen Stock Exchange in accordance with the regulations of that exchange.

This Information Memorandum and any Supplemental Information Memorandum relating to Notes issued by Mare Baltic comprise listing particulars for the purpose of giving information with regard to Mare Baltic and the Notes issued by Mare Baltic listed under the Programme.

Notes issued under the Programme may be issued with or without being assigned a credit rating. Certain Notes may be assigned a credit rating by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**Standard & Poor's**") and/or by Moody's Investors Service, Inc. ("**Moody's**") and/or by Fitch Ratings Limited ("**Fitch**") and/or by any other rating agency. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation. A suspension, reduction or withdrawal of the rating assigned to any rated Notes may adversely affect the market price of such Notes.**

The Notes will not be obligations or responsibilities of, and (unless otherwise stated in the Applicable Supplement) will not be guaranteed by, any person other than the Issuer. No person, other than the Issuer, will accept any liability to Noteholders in respect of any failure by the Issuer(s) to pay any amount due under the Notes. In particular the Notes will not be obligations of, and will not be guaranteed by, the Trustee, any Counterparty, any Agent, the Arranger or any Dealer.

For a discussion of certain risks and other factors that should be considered in connection with an investment in any Notes, see the section entitled "Risk Factors" on page 23 of this document and the section entitled "Risk Factors" (if any) in the relevant Information Memorandum Addendum for the relevant Issuer and the section entitled "Risk Factors" in the relevant Applicable Supplement.

IMPORTANT NOTICE

Mare Baltic has made the statement contained in the following paragraph:

“We hereby confirm that, to the best of our knowledge and belief, the information contained in this Information Memorandum is in accordance with the facts and that, to the best of our knowledge and belief, the Information Memorandum does not omit any information likely to affect the import thereof, and also that the Information Memorandum contains all relevant information from minutes of board meetings, long-form audit reports and other internal documents.

Mare Baltic PCC Limited”

KPMG Channel Islands Limited, as auditors of Mare Baltic, have made the statement contained in the following paragraph:

“In pursuance of the rules and regulations of the Copenhagen Stock Exchange A/S, we hereby confirm that this Information Memorandum contains all material facts relating to the Issuer that are known to us and which, in our opinion, may affect the assessment of the Issuer’s assets and liabilities, financial position and profit.

KPMG Channel Islands Limited”

HSH Nordbank AG, Copenhagen branch (“HSH Nordbank”), as Arranger, has made the following statement:

“In our capacity as Arranger, we hereby confirm that the Issuer and the Issuer’s auditors have made available to us all the information requested and deemed necessary by us. The data provided or disclosed to us, including data on which financial information and market information are based, have not been independently verified by us; however, we have reviewed the information and have compared it with the information contained in this Information Memorandum and have found nothing that is incorrect or inconsistent with this Information Memorandum.

HSH Nordbank AG, Copenhagen branch”

This Information Memorandum is to be read and construed on the basis that all the documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below) are incorporated in, and form part of, this Information Memorandum.

This Information Memorandum is not complete without, and may not be used to conclude sales of the Notes of any Issuer unless accompanied by, the relevant Applicable Supplement and, in the case of any Issuer other than Mare Baltic, the related Information Memorandum Addendum. To the extent that anything herein conflicts with any statement in an accompanying Information Memorandum Addendum, the statement in such Information Memorandum Addendum shall prevail. To the extent that anything herein or in an Information Memorandum Addendum conflicts with any statement in an accompanying Applicable Supplement, the statement in such Applicable Supplement shall prevail.

The information set forth in this Information Memorandum, to the extent that it comprises a description of certain provisions of the documentation relating to the transactions described herein, is a summary and is not presented as a full statement of the provisions of such documentation. Such summaries are qualified by reference to and are subject to the provisions of such documentation.

None of Mare Baltic, the Arranger, the Dealers, the Counterparties, the Agents (as defined in Condition 8(f)) or the Trustee (each as defined below) represent that this Information Memorandum, any Information Memorandum Addendum or any Applicable Supplement may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, persons into whose possession this Information Memorandum, any Information Memorandum Addendum and any Applicable Supplement or any Notes come must inform themselves about, and observe, any such restrictions. In particular, no action (save for the approval of this Information Memorandum by the Copenhagen Stock Exchange and delivery of copies of this Information Memorandum to the Guernsey Financial Services Commission) has been taken by Mare Baltic, the Arranger, any Dealer, any Counterparty, any Agent or the Trustee which would permit a public offering of any Notes or distribution of this Information Memorandum or any Information

Memorandum Addendum or Applicable Supplement in any jurisdiction where action for that purpose is required. Accordingly, Notes may not lawfully be offered or sold, directly or indirectly, and none of this Information Memorandum, any Information Memorandum Addendum, any Applicable Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

The Arranger, the Dealers, the Counterparties, the Agents and the Trustee have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, any Dealer, any Counterparty, any Agent or the Trustee as to the accuracy or completeness of the information contained in this Information Memorandum, any Information Memorandum Addendum, any Applicable Supplement or any other financial statements or any other information supplied in connection with the Programme or the Notes or their distribution. The statements made in this paragraph are without prejudice to the responsibility of any Issuer under the Programme.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Information Memorandum, any Information Memorandum Addendum or any Applicable Supplement or any other information supplied pursuant to the terms of the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, any Counterparty, any Dealer, any Agent or the Trustee or any of their respective affiliates.

None of this Information Memorandum, any Information Memorandum Addendum or any Applicable Supplement or any other statements or information supplied pursuant to the terms of the Programme or the Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or constituting an invitation or offer by or on behalf of any of the Issuer, the Trustee, the Arranger, any Counterparty, any Agent or any Dealer or any of their respective affiliates that any recipient of this Information Memorandum, any Information Memorandum Addendum or any Applicable Supplement or any other statements or information supplied pursuant to the terms of the Programme or the Notes should subscribe for or purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer, the terms relating to and creditworthiness of the Charged Assets and Underlying Assets relating to such Notes and of the tax, accounting and legal consequences of an investment in any of the Notes for such investor.

Neither the delivery of this Information Memorandum nor any Information Memorandum Addendum nor any Applicable Supplement shall at any time imply that the information contained herein or therein is correct at any time subsequent to the date hereof or thereof or that any other information supplied pursuant to the terms of the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Counterparties, the Arranger, the Agents and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements (if any) of the Issuer when deciding whether or not to purchase any Notes.

The Guernsey Financial Services Commission has, in accordance with the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989 ("the Ordinances") given and not withdrawn its consent to the issue by Mare Baltic of up to €1,000,000,000 of Notes under the Programme.

It must be distinctly understood that, in giving these consents, neither the Guernsey Financial Services Commission nor the States Policy Council will take any responsibility for the financial soundness of Mare Baltic or for the correctness of any of the statements made or opinions expressed herein with regard thereto.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

It should be remembered that the price of securities and the income from them can go down as well as up.

An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such an investment.

Purchasers of Notes should have sufficient knowledge and experience in financial and business matters and access to, and knowledge of, appropriate analytical resources to evaluate the information contained in this Information Memorandum, the Applicable Supplement and any

relevant Information Memorandum Addendum and the merits and risks of investing in the Notes in the context of their financial position and circumstances. Each person acting on this Information Memorandum shall be deemed to acknowledge that such person has been afforded an opportunity to request from the Issuer and to review, and has received, all additional information considered by such person to be necessary to verify the accuracy and completeness of the information contained herein.

In making an investment decision, investors must rely on their own examination of the terms of any offering of Notes. Prior to the offering and sale of the Notes, there will be no secondary market for the Notes and there can be no assurance that a secondary market will develop or, if it does develop, that it will continue.

The distribution of this Information Memorandum and the offer or sale of any of the Notes may be restricted by law in certain jurisdictions. In particular, the Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "Securities Act"). The Notes may include Notes that are in bearer form that are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, U.S. persons, except in certain transactions permitted by U.S. tax regulations. Persons into whose possession this Information Memorandum or any Notes come must inform themselves about, and observe, any such restrictions. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code and the regulations promulgated thereunder. (For more information on selling restrictions see "Selling Restrictions" below.)

References to the "Information Memorandum" are, in relation to Mare Baltic, references to this Information Memorandum and in the case of any other Issuer references to this Information Memorandum and the relevant Information Memorandum Addendum relating to such Issuer. References herein to the "Information Memorandum Addendum" are to the relevant Information Memorandum Addendum which accompanies and forms part of this Information Memorandum and which contains the description of the relevant Issuer (other than Mare Baltic).

Save where the context otherwise requires, references in the Information Memorandum and any Information Memorandum Addendum to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or to any statutory instrument, order or regulation made thereunder or under any such re-enactment.

U.S. INFORMATION

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is unlawful.

No Issuer has been or will be registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act") and no Notes have been or will be registered under the Securities Act. Consequently, no Notes may be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act) except in accordance with the Securities Act or an exemption therefrom and under circumstances which do not require any Issuer to register under the Investment Company Act.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references in this document to U.S. dollars, U.S.\$ and \$ are to the currency of the United States of America, to Sterling and £ are to the currency of the United Kingdom, to euro and € are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and to DKK are to the currency of the Kingdom of Denmark.

Mare Baltic maintains its financial books and records and prepares its financial statements in euro in accordance with generally accepted international accounting standards ("IAS").

TABLE OF CONTENTS

	<i>Page</i>
Investor Suitability	7
Documents Incorporated by Reference	8
General Description of the Programme	9
Summary of the Programme	10
Risk Factors	23
Mare Baltic PCC Limited	27
Audited Financial Statements of Mare Baltic	33
Capitalisation and Indebtedness	36
Terms and Conditions of the Notes	37
Summary of Provisions relating to the Notes while in Global Form	64
Summary of Provisions relating to the Notes while in Dematerialised Form	66
Use of Proceeds	67
Form of Pricing Supplement/Supplemental Information Memorandum	68
Repackaging Structures	78
Sale and Purchase of Assets	78
Hedging Arrangements	78
Custody Arrangements	79
Synthetic Structures	80
Credit Swaps	80
Repurchase Agreements	82
Deposit Agreements	83
Collateral Assets	84
Taxation	85
A. Guernsey Taxation	85
B. Danish Taxation	85
C. United Kingdom Taxation	86
Subscription and Sale	88
Selling Restrictions	89
General Information	91
Index of Defined Terms	93

In connection with the issue and distribution of any Series or any Tranche of Notes under the Programme, the Dealer (if any) who is disclosed as the stabilising manager in the Applicable Supplement in relation to such Notes (or its agent on its behalf) may, in accordance with all applicable laws and regulations, over allot or effect transactions with a view to supporting the market price of such Notes at a level higher than that which might otherwise prevail but in so doing such stabilising manager shall be acting as principal and not as agent of the Issuer. However, there may be no obligation on such Dealer to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

INVESTOR SUITABILITY

Prospective investors should determine whether an investment in any Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in any Notes and to arrive at their own evaluations of the investment.

Investment in Notes is only suitable for investors who:

- (1) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in Notes and the rights attaching to such Notes;
- (2) are capable of bearing the economic risk of an investment in Notes until redemption of the Notes;
- (3) are acquiring the Notes for their own account for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (4) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

Each Noteholder by subscribing for or purchasing the Notes shall be deemed to agree that it has made its own independent assessment as to whether subscribing for or purchasing the Notes is appropriate for it based upon its own judgement and upon advice from such advisers as it considers necessary. None of the Issuer, the Dealers, the Arranger, the Agents, the Trustee or the Counterparties is acting as a financial adviser or in a fiduciary capacity in relation to the sale of the Notes. Each Noteholder by subscribing for or purchasing the Notes shall also be deemed to agree that it is not relying on any communication (written or oral) made by the Issuer, the Arranger, any Dealer, any Agent, the Trustee or any Counterparty as constituting either investment advice or a recommendation to subscribe for or purchase the Notes. No communication (written or oral) received by the Noteholder from the Issuer, the Arranger, any Dealer, any Agent, the Trustee or any Counterparty constitutes an assurance or guarantee as to the expected results or likely return under the Notes.

For a discussion of certain risks and other factors that should be considered in connection with an investment in any Notes, see the section entitled "Risk Factors" on page 23 of this document and the section entitled "Risk Factors" (if any) in the relevant Information Memorandum Addendum for the relevant Issuer and the section entitled "Risk Factors" in the relevant Applicable Supplement.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (1) the most recently published annual and interim (if any) financial statements of Mare Baltic from time to time, when available; and
- (2) all supplements and addenda to this Information Memorandum circulated by Mare Baltic from time to time,

save that any statement contained herein or in a document all or the relative portion of which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document all or the relative portion of which is or is deemed to be incorporated by reference herein modifies or supersedes such earlier statement.

Mare Baltic will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the written request of any such person, a copy of any or all of the documents which, or portions of which, are incorporated herein by reference. Written requests for such documents should be directed to Mare Baltic at its registered office as set out at the end of this Information Memorandum. In addition, such documents will be available, without charge, from the office of HSH Gudme Bank A/S (the "**Copenhagen Listing Agent**") with respect to the Notes admitted to listing on the Copenhagen Stock Exchange.

GENERAL DESCRIPTION OF THE PROGRAMME

The Issuer may, from time to time and subject to compliance with all applicable legal and regulatory requirements, issue Notes denominated in any currency.

The issue date, maturity date, Underlying Assets, Charged Assets, principal amount, redemption amount and interest rate (if any) applicable to any Notes and any other relevant provisions of such Notes, including details of the security applicable to such Notes, will be specified or described in the relevant Applicable Supplement as indicated under Summary of the Programme.

In respect of each Tranche of Notes to be admitted to listing on a stock exchange, the Issuer will prepare an Applicable Supplement which will be delivered to the relevant stock exchange on or around the date of issue of such Tranche in accordance with the rules of the relevant stock exchange.

Subject as set out herein, this Information Memorandum and any addendum or supplement hereto will only be valid for listing Notes up to the aggregate principal amount specified in this Information Memorandum (or its equivalent in other currencies at or around the time of agreement to issue) outstanding at any one time, calculated on the basis specified in Summary of the Programme (as to which, see page 10).

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this document and, in relation to the terms and conditions of any particular Tranche of Notes, the Applicable Supplement in which any of the Terms and Conditions of the Notes may be varied. Words or expressions defined or used in "Terms and Conditions of the Notes" and in the Applicable Supplement shall have the same meaning in this summary. This summary should be read in conjunction with the section entitled "Risk Factors" below.

- Issuer:** Mare Baltic PCC Limited (the "**Initial Issuer**") and each company specified as such in an Information Memorandum Addendum. Mare Baltic PCC Limited and one or more other Issuers can act as joint and several co-Issuers where specified in the relevant Applicable Supplement.
- Arranger:** HSH Nordbank AG, Copenhagen branch ("**HSH Nordbank**").
- Dealer:** HSH Nordbank or such other person as may be appointed as a Dealer from time to time pursuant to the Programme Agreement.
- Pursuant to the terms of the Programme Agreement, the Issuer may terminate the appointment of any Dealer or appoint further Dealers for a particular Series or Tranche of Notes or as Dealers under the Programme.
- Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see Subscription and Sale and Selling Restrictions below).
- Issue Agent:** HSH Nordbank or such other person as may be appointed as an issue agent from time to time in relation to a particular Tranche or Series of Notes.
- VP Agent:** HSH Nordbank, in respect of each issue of Notes in dematerialised form through the Danish Securities Centre, (*Værdipapircentralen*) ("**VP**") (*obligationsudstedende og kontoførende institut*).
- Trustee:** The Law Debenture Trust Corporation p.l.c. or such other and/or additional person as may be appointed as a trustee from time to time in accordance with the terms of the Principal Trust Deed.
- The Law Debenture Trust Corporation p.l.c. ("**LDTTC**") is owned by The Law Debenture Trust Management Limited which is a wholly-owned subsidiary of The Law Debenture Corporation p.l.c. (the "**Corporation**") which is listed on the London Stock Exchange. The Corporation was founded in 1889 to facilitate the issue of corporate debentures and within a few years of its foundation commenced its activities as a trustee of debt securities. LDTTC, which is a trust corporation for the purposes of the Public Trustee Act 1906 and the Trustee Act 1925 of England and Wales, was formed to conduct the group's trustee business in 1982.
- Pursuant to the Principal Trust Deed, the Trustee will act both as trustee under English law in respect of the Notes and as representative of the Noteholders in enforcing the Conditions of the Notes and enforcing the security therefor. For each issue of Notes, the Trustee will act in a similar capacity pursuant to the relevant Supplemental Trust Deed in respect of each issue and will hold the security therefor.
- The Principal Trust Deed will be governed by English law and Noteholders should be aware that their rights against the Trustee may be different from the rights which they may have had against the Trustee if the Trust Deed had been governed by Danish law. In particular, but without limitation, Noteholders may be bound by resolutions passed by certain majorities at meetings of Noteholders at which they were not present and such resolutions may include

modification of the Conditions of the Notes. For further information see Condition 14 (Meetings of Noteholders, Modification, Waiver, Authorisation, Substitution and Entitlement of the Trustee). Noteholders should also be aware that only the Trustee may pursue the remedies available under the Principal Trust Deed, the relevant Supplemental Trust Deed, the Conditions and the Transaction Documents and only against certain assets of the Issuer. For further information, please see Condition 11 (Limited Recourse Enforcement) below.

Pursuant to the terms of the Principal Trust Deed, a Trustee may retire upon the giving of not less than three months' notice to the Issuer or may be removed, in respect of any Series, by an Extraordinary Resolution (as defined in the Principal Trust Deed) of the Noteholders of such Series of Notes. In circumstances of notice of retirement or removal, the Issuer shall procure the appointment of a successor trustee as soon as reasonably practicable and such retirement or removal shall not become effective until a successor trust corporation has been appointed as trustee.

Custodian:	HSH Nordbank or such other person as may be appointed as a custodian from time to time in relation to a particular Series of Notes.
Registrar:	HSH Nordbank or such other person as may be appointed as a registrar from time to time in relation to a particular Series of Notes.
Principal Paying Agent:	HSH Nordbank or such other person as may be appointed as the principal paying agent in relation to a particular Series of Notes.
Paying Agents:	HSH Nordbank or such other paying agent(s) as may be appointed in relation to a particular Series of Notes.
Copenhagen Paying Agent:	HSH Nordbank or such other paying agent in Copenhagen as may be appointed in relation to a particular Series of Notes.
Calculation Agent/ Determination Agent:	HSH Nordbank or such other calculation agent or determination agent as may be appointed in relation to a particular Series of Notes.
Copenhagen Listing Agent:	HSH Gudme Bank A/S.
Operation Services Provider:	In relation to the Initial Issuer, HSH Nordbank and in relation to any Issuer (other than the Initial Issuer), the operation services provider (if any) identified in the relevant Information Memorandum Addendum and appointed pursuant to the operation services agreement (if any) specified therein (each such agreement and the operation services agreement entered into between Mare Baltic and HSH Nordbank being an " Operation Services Agreement ").
Investment Adviser:	An Issuer may enter into an Investment Intermediary and Advisory Agreement (as amended from time to time) between the Issuer and an Investment Adviser (as defined therein) (the " Investment Intermediary and Advisory Agreement "), pursuant to which such Investment Adviser shall at the request of the Issuer make proposals and give advice to such Issuer. HSH Nordbank or any affiliate of HSH Nordbank may be an Investment Adviser.
Base Currency:	Euro
Programme Limit:	Any Issuer may issue Notes with a principal value, when aggregated with the outstanding Notes issued by that Issuer and all other Issuers, of up to €1,000,000,000 (or its equivalent (the " Base Currency Equivalent ") in other currencies calculated as set out in the Programme Agreement) (the " Programme Limit "). Under the terms of the Programme Agreement, the Programme Limit may be increased, subject to the satisfaction of certain conditions set out therein.
	For the purpose of calculating the Base Currency Equivalent of the principal amount outstanding of Notes, the Base Currency Equivalent of Notes denominated in another currency shall be determined by the Principal Paying Agent on the basis of the Exchange Rate either as of

the issue date of such Notes (the “**Issue Date**”) or, if the relevant exchange rates are not available on such issue date, on the last preceding day on which commercial banks and foreign exchange markets were open for business in Copenhagen prior to the Issue Date. As used herein, the “**Exchange Rate**” against the Base Currency for any currency means the spot rate for the sale of the Base Currency against the purchase of such currency in the Copenhagen foreign exchange market quoted by any leading bank selected by the Principal Paying Agent at any time on the relevant day of calculation.

The Base Currency Equivalent of any dual currency Notes (“**Dual Currency Notes**”), Notes the repayment of principal or interest in respect of which is linked to an index (“**Indexed Notes**”) and Notes the subscription price for which is payable in instalments (“**Partly Paid Notes**”) shall be calculated in the manner specified above by reference to the original principal amount on the issue of such Notes (in the case of Partly Paid Notes regardless of the amount of the subscription price paid). The Base Currency Equivalent of any Notes which do not bear interest (“**Zero Coupon Notes**”) or any other Note issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds receivable by the Issuer in relation to such Notes.

Underlying Assets:

Payments of principal and/or interest on Notes are dependent upon:

- (i) payments being received by the Issuer into the cell from which the relevant Series or Tranche of Notes was issued in respect of one or more specified cellular assets to be acquired by the Issuer in relation to the relevant Series or Tranche of Notes (the “**Repackaging Assets**”) and payments being received under certain Related Agreements (as to which see page 14), or
- (ii) payments being received or having to be made by the Issuer under certain Related Agreements, including payments linked to the creditworthiness or occurrence of one or more credit-related events, performance of obligations or other factors occurring in relation to one or more entities or obligations or the price, value or performance of one or more indices or other formulae (such reference entities, obligations, indices and formulae being the “**Reference Assets**”), or in respect of certain Related Assets (as to which see page 13).

The Repackaging Assets, the rights under the Related Agreements and the Related Assets are together described herein as the “**Charged Assets**”. The Repackaging Assets and the Reference Assets are together described herein as the “**Underlying Assets**”.

The obligations of the Issuer in respect of a Tranche or Series and other obligations of the Issuer attributable to that Tranche or Series, including the obligations of the Issuer under any Related Agreement entered into in connection with that Tranche or Series, are referred to as the “**Secured Obligations**” and the creditors to whom they are owed are referred to as the “**Secured Creditors**”.

Repackaging Assets:

The Repackaging Assets may comprise bonds or notes of any form, denomination, type and issuer, the benefit of loans and other contractual rights (including, without limitation, with respect to sub-participations or swap transactions, option transactions, hedging agreements and other types of derivative transactions) or any other assets (including, without limitation, equity) assigned to or otherwise vested in the Issuer pursuant to a sale and purchase agreement (each a “**Sale and Purchase Agreement**”) to be entered into by the Issuer.

Reference Assets:

The Issuer may enter into one or more credit swap agreements (each a “**Credit Swap**”) with one or more persons (including HSH Nordbank or any affiliate of HSH Nordbank) as swap counterparty (the “**Credit Swap Counterparty**”) pursuant to which the Issuer will provide credit protection to the Credit Swap Counterparty with respect to one or more persons (each a “**Reference Entity**”) or obligations (each a “**Reference Obligation**”). Pursuant to each Credit Swap, the Issuer will (i) agree to pay to the Credit Swap Counterparty an amount (as described in the Applicable Supplement) in relation to any Reference Entity or Reference Obligation in respect of which a Credit Event occurs and in relation to which the Credit Event Conditions are satisfied and/or (ii) be obliged to accept delivery of the Reference Assets when a Credit Event occurs in relation to one or more of the Reference Assets and in relation to which the Credit Event Conditions are satisfied. The Credit Events and the Credit Event Conditions will be specified in the Credit Swap and described in the Applicable Supplement. Amounts payable by the Issuer under the Credit Swap and on the related Notes will be secured by and funded out of the proceeds of realisation of the relevant Related Assets. For more detail see Synthetic Structures below.

Related Assets:

The proceeds of issuance of Notes in respect of which the payments under the Notes are linked to Reference Assets will be:

- (a) placed on deposit (each a “**Deposit**”) with one or more persons as described in the Applicable Supplement (which may include HSH Nordbank or an affiliate thereof) as deposit counterparty pursuant to a Deposit Agreement (the “**Deposit Counterparty**”); and/or
- (b) used to purchase Securities and/or other financial assets (the “**Repo Assets**”) from one or more persons as described in the Applicable Supplement (which may include HSH Nordbank or an affiliate thereof) as repo counterparty (“**Repo Counterparty**”) pursuant to a Repo Agreement (as defined below); and/or
- (c) used to purchase Securities and/or other financial assets (the “**Collateral Assets**” and, together with the Deposits and the Repo Assets, the “**Related Assets**”) from one or more persons (which may include HSH Nordbank or an affiliate thereof) which shall not be subject to a repo arrangement.

Variable Coupon Amount Notes/Variable Redemption Amount Notes:

The Applicable Supplement in respect of each issue of Variable Coupon Amount Notes will specify the basis for calculating the amounts of interest payable or securities or other assets deliverable in respect thereof and the Applicable Supplement in respect of each issue of Variable Redemption Amount Notes will specify the basis for calculating the amounts payable on redemption of securities or other assets deliverable in respect thereof, which, in each case, may be linked to the creditworthiness or occurrence of one or more credit-related events (“**Credit Events**”), performance of obligations by, or some other factor in relation to, one or more persons or reference obligations or may be linked to the price, value or performance of one or more indices or other formulae and may be issued in circumstances where the obligations of the Issuer are guaranteed as set out in Related Agreements below. In relation to Notes the payments on which are linked to Credit Events, upon the occurrence of a Credit Event and satisfaction of the Credit Event Conditions, as determined by a Determination Agent specified in the Applicable Supplement, such Notes may be redeemed early in the manner set out in the Applicable Supplement.

Other Notes:	<p>Terms applicable to high interest notes, low interest notes, step-up notes, step-down notes, instalment notes and any other type of note (other than profit sharing notes) which an Issuer and the Dealer(s) may agree to issue under the Programme will be set out in the Applicable Supplement.</p>
Related Agreements:	<p>In connection with any Series of Notes, the Issuer may enter into a swap agreement or other hedging agreement (including in relation to interest rate or currency hedging) ("Hedging Agreements") or letters of credit, guarantees or other credit support or credit enhancement documents or other financial arrangements (together with the Hedging Agreements, the "Related Agreements"). A Related Agreement for any Series may require the relevant counterparty thereto (a "Counterparty") to provide security or deposit collateral in respect of its obligations under such agreement. The obligations of an Issuer or a Counterparty under a Related Agreement may be guaranteed by a guarantor (the "Guarantor"). The rights under any guarantee from a Guarantor in favour of an Issuer in relation to the obligations of a Counterparty will form part of the security granted by such Issuer pursuant to the Supplemental Trust Deed in relation to the relevant Tranche or Series of Notes. Unless otherwise specified in the Applicable Supplement, any guarantee from a Guarantor in respect of the obligations of the Issuer will be an unsecured claim against the Guarantor.</p> <p>Each Hedging Agreement will terminate on the date specified in the Applicable Supplement, unless terminated earlier in accordance with its terms. Each Hedging Agreement will terminate if the Notes are redeemed prior to their maturity date specified in the Applicable Supplement pursuant to any provision of Condition 7 or upon the occurrence of an Event of Default which has not been cured or waived. In the event of an early termination of a Hedging Agreement, any party to such Hedging Agreement may be liable to make a termination payment to any other party in accordance with the terms of such Hedging Agreement.</p> <p>The principal terms of each Related Agreement will be set out in the relevant Applicable Supplement.</p>
Substitution, Lending and Repos of Repackaging Assets and Related Assets:	<p>The Applicable Supplement in respect of each Series of Notes will state whether the Issuer may from time to time, with the prior written consent of the Trustee, subject to certification by the Issuer to the Trustee as to the satisfaction of the substitution criteria set out in the relevant Applicable Supplement and subject (in the case of Notes which are rated by any rating agency or rating agencies, each a "Rating Agency") to the Issuer having obtained prior written confirmation (addressed to the Issuer and the Trustee) from each such Rating Agency that the then credit rating of the Notes will not be adversely affected, substitute alternative assets ("Substitute Assets") for such of the Repackaging Assets and Related Assets as the Issuer may deem appropriate. On such substitution, on such terms as are set out in the Applicable Supplement, any relevant Related Agreement may be terminated, replaced or amended in view of the income expected to be received in respect of any such Substitute Assets. If so terminated, the relevant Counterparty will make any payment due to the Issuer or, as the case may be, the Issuer will make any payment due to such Counterparty, pursuant to the terms of such Related Agreement.</p> <p>Unless otherwise specified in the Applicable Supplement, subject to the prior written consent of the Trustee and certification to the Trustee as to the satisfaction of the criteria set out in the relevant Applicable Supplement, the Issuer may lend, repo or otherwise transfer all or any of the Repackaging Assets and Related Assets on terms that assets equivalent to the Repackaging Assets and Related Assets will be transferred to the Issuer at the scheduled maturity or early redemption of such loan, repo or other transaction or in the event of a</p>

Mandatory Redemption Event (see below) or on such other date or dates as may be specified in the Applicable Supplement.

Substitution of Reference Assets:

The Applicable Supplement in respect of each Series of Notes will state whether the Issuer or the relevant Counterparty may from time to time substitute alternative assets for such of the Reference Assets as it may deem appropriate. The Applicable Supplement may describe certain criteria within which substitutions can be carried out without the consent of the Trustee or the Noteholders.

Collection of Payments:

Payments of interest and principal (and any other moneys) received in respect of the Repackaging Assets and the Related Assets will be credited to an account of the Issuer with the Account Bank or the custodian, if any, specified in the Applicable Supplement (the "**Custodian**"). Proceeds arising on transfer or disposal of Related Assets will be deposited in an account of the Issuer with the Account Bank and used to make payments in accordance with the application of proceeds provisions described in the Applicable Supplement and set out in detail in the applicable Supplemental Trust Deed.

All amounts received by the Issuer or any Custodian in respect of the Repackaging Assets and Related Assets shall be applied in accordance with the relevant order of priorities set out in the relevant Supplemental Trust Deed.

Limited Recourse:

If the amounts realised from the Charged Assets in relation to a particular Tranche or Series (whether or not any security granted in respect thereof has been enforced) are insufficient to make payment of all amounts due in respect of the Notes of the relevant Tranche or Series and all other Secured Obligations with respect to that Tranche or Series (after meeting the Trustee's, the Agents', any Custodian's, the Registrar's and any receiver's expenses, liabilities and remuneration and any amounts to satisfy an indemnity claim, and any other amounts that rank in priority to the Notes of that Tranche or Series, all as described in the Applicable Supplement and/or specified in the Supplemental Trust Deed) no other assets of the Issuer will be available to meet that shortfall. Any such shortfall shall be borne in the manner described in the Applicable Supplement and/or specified in the Supplemental Trust Deed and any claim of the Noteholders or of any other Secured Creditor with respect to that Tranche or Series of Notes remaining after such realisation and application shall be extinguished.

Security:

The Issuer will, except as set out in the Applicable Supplement, create security interests over the Charged Assets with respect to each Series (the "**Security**") in favour of the Trustee to secure the Secured Obligations with respect to that Series. The Security will be granted in the Supplemental Trust Deed which will be supported by such further security documents as may, from time to time, be required by the Trustee in respect of each Series of Notes.

The obligations of the Issuer under the Principal Trust Deed will also be secured by a floating charge in favour of the Trustee (for the benefit of itself in respect of claims which are not claims in respect of, or relating to, one or more Series of Notes) governed by English law over the Issuer's undertaking and assets from time to time which are not assets of a specific Cell and not otherwise effectively charged or assigned by way of specific charge or assignment pursuant to the Principal Trust Deed or any Supplemental Trust Deed or other security document governed by the laws of any jurisdiction other than England or over assets situated in any jurisdiction other than England ("**Foreign Security**"). Such security in respect of the Issuer's obligations to the Trustee will only be exercisable by the Trustee (on its own behalf) after the security in respect of all Series of Notes then outstanding and issued by the Issuer has become enforceable.

If the relevant Applicable Supplement provides that the Issuer may purchase Notes or redeem Notes or exercise an option in relation thereto, the Charged Assets or proportionate part thereof in relation to such Notes may be released from the Security created in respect thereof in the manner set out in the Principal Trust Deed and the relevant Supplemental Trust Deed.

For so long as the Issuer has any Series of Notes outstanding which are rated by a rating agency, the Issuer will also maintain a balance on a bank account forming part of its core assets which will be secured in favour of the Operation Services Provider to meet costs and expenses including cell unwind costs and will in certain circumstances be available to the Issuer to pay extraordinary expenses arising from time to time. The balance on this account will not form part of the assets available to meet creditors of any particular cell of the Issuer and, in particular, will not be available to Noteholders.

Priority of Claims:

The relative priority of claims of the Noteholders of each Series of Notes and, if applicable, the Counterparty will be specified in the relevant Applicable Supplement and will be set out in the application of proceeds in the relevant Supplemental Trust Deed.

Instructing Creditor:

The Applicable Supplement and the relevant Supplemental Trust Deed will specify in relation to each Series of Notes whether the Instructing Creditor is:

- (a) Counterparties only; or
- (b) Noteholders only; or
- (c) a combination of Counterparties and Noteholders, as described in more detail in such Applicable Supplement and set out in the relevant Supplemental Trust Deed.

Where the Instructing Creditor is Noteholders, the Noteholders can (where specified) request the Trustee to take actions contemplated in the Terms and Conditions of the Notes by means of a request in writing of the holders of a majority in principal amount of the Notes of such Series then outstanding or by means of an Extraordinary Resolution of such Noteholders. Where the Instructing Creditor is Counterparties, the Counterparty or, if more than one, all the Counterparties acting together may, in accordance with and in the circumstances specified in the Applicable Supplement, request the Trustee to take actions contemplated in the Terms and Conditions of the Notes by means of a request in writing of the Counterparty or Counterparties. Where the Instructing Creditor is a combination of Counterparties and Noteholders, the procedures for requesting the Trustee to take actions contemplated in the Terms and Conditions of the Notes shall be as described in the Applicable Supplement and set out in the Supplemental Trust Deed.

Having received such a request from the Instructing Creditor, the Trustee shall not be obliged to consider the interests of any other Secured Creditors for such Series.

Enforcement of Security:

The Security in relation to any Series of Notes will become enforceable upon the Trustee giving an Enforcement Notice (as defined in Condition 10) pursuant to the terms thereof to the Issuer of that Series of Notes subsequent to an Event of Default of that Series of Notes or as otherwise provided in the relevant Supplemental Trust Deed and/or the terms of such Series of Notes.

The Trustee shall not be bound to give any Enforcement Notice in respect of any Series of Notes, to take any steps or institute any proceedings to enforce the Security for any Series or to enforce payment of any amount due and payable under or pursuant to the Notes of any Series or the Related Agreement, the Principal Trust Deed or any Transaction Documents unless it shall have been so

requested by the Instructing Creditor in relation to such Series, in writing where such Instructing Creditor is Counterparties only, and has been secured and/or indemnified to its satisfaction.

If the Trustee, having become bound to proceed in accordance with the terms of the Principal Trust Deed, fails or neglects to do so within a reasonable period of time, the Instructing Creditor (but no other creditor until the claims of the Instructing Creditor are satisfied in full) shall be entitled to proceed directly against the Issuer.

Method of Issue:	Notes will be issued on a syndicated or non-syndicated basis in series (each a "Series").
Tranches of Notes:	The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions) will be set out in the Applicable Supplement.
Fungible Tranches:	A Series of Notes may comprise a number of tranches (each a "Tranche") which will be issued on identical terms save for the issue date and the first payment of interest. Notes of different Tranches of the same Series will be fungible except as provided in the Applicable Supplement. If a further Tranche (a "Further Tranche") is issued in respect of a Series under which a Tranche or Tranches of Notes have already been issued (an "Original Tranche" and "Original Tranches") the Underlying Assets and the Related Assets relating to such Further Tranche will be fungible with or otherwise equivalent to the Underlying Assets and the Related Assets respectively for the Original Tranche or Original Tranches and the Related Agreements for the Original Tranche or Original Tranches will be amended to apply to both the Original Tranche or Original Tranches and such Further Tranche.
Currencies:	Any currency or currencies, subject to compliance with all applicable legal and regulatory requirements.
Maturities:	The Notes may have any maturity (or such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or under any laws or regulations applicable to the relevant Issuer).
Issue Price:	Notes may be issued at par or at a discount to, or premium over, par and either on a fully paid or partly paid basis.
Form of Notes:	<p>Each Tranche of Notes will be issued in bearer or registered form or in dematerialised form. Notes issued in registered form will not be exchangeable for Notes in bearer form.</p> <p>Each Tranche of Bearer Notes will initially be represented by a temporary global note without interest coupons (each a "Temporary Global Note") which will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear Bank S.A./N.V., as operator of the Euroclear system ("Euroclear") and/or Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on or before the Issue Date with a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or (b) in the case of a Tranche intended to be cleared through a clearing system other than Euroclear or Clearstream, Luxembourg, as agreed between the Issuer, the Issue Agent and the Trustee. No interest will be payable in respect of a Temporary Global Note, except as described under Summary of Provisions Relating to the Notes while in Global Form. Interests in a Temporary Global Note will be exchangeable, in accordance with its terms, for interests in a permanent global note (each a "Permanent Global Note") representing Notes of the relevant Series. Each Permanent Global Note will be exchangeable, in accordance with its terms, for Notes in definitive form (each a "Definitive Note") in the circumstances described under Summary of Provisions Relating to the Notes while in Global Form. Definitive Notes will, if interest-bearing, have interest coupons ("Coupons") attached and, if appropriate, a talon ("Talon") for further Coupons and</p>

will, if the principal thereof is repayable by instalments, have payment receipts ("**Receipts**") attached.

Registered note certificates (each a "**Registered Note Certificate**") will be issued to each holder of a Registered Note. One Registered Note Certificate will be issued for each holding of Registered Notes by an individual Noteholder. A Registered Note held in Euroclear and Clearstream, Luxembourg or any other clearing system (each a "**Global Registered Note**") will be registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg.

Dematerialised Notes will not be evidenced by any physical note or document of title other than statements made by the VP or by an account controller (*kontoførende institut*) in accordance with section 76 of the Danish Securities Trade Act (or any modification or re-enactment thereof for the time being in force), although on or before the issue date for each Tranche of dematerialised Notes the Issuer will execute a Supplemental Trust Deed which, inter alia, will declare a debt in favour of holders of Dematerialised Notes. Ownership of Dematerialised Notes will only be recorded and transfers effected only through the book entry system and register maintained by the VP.

Fixed Rate Notes:	Fixed Rate Notes will bear interest at a fixed rate and will be payable on such date(s) and at such rate(s) as specified in the Applicable Supplement.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate set separately for each Series as may be specified in the Applicable Supplement either on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service or on the basis of quotations from reference banks or on such other basis as may be specified in the Applicable Supplement and as adjusted for any applicable Margin (as defined in Condition 6(g)). Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.
Zero Coupon Notes:	Zero Coupon Notes may be offered and sold at their principal amount or at a discount to it and will not bear interest. Zero Coupon Notes will, if specified in the Applicable Supplement, have an Amortisation Yield for the purpose of calculating any Early Redemption Amount.
Non-Interest Bearing Notes:	Non-Interest Bearing Notes are Variable Redemption Amount Notes which do not bear interest. Such Notes will not have an Amortisation Yield.
Interest Periods and Interest Rates:	The duration of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. The information required to calculate the applicable interest rate in accordance with the Terms and Conditions of the Notes will be specified in the Applicable Supplement.
Change of Interest Basis:	Notes may be converted from one interest basis to another in the manner set out in the Applicable Supplement.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in accordance with the procedures of the relevant clearing system in such currencies, and based upon such rates of exchange, as specified in the Applicable Supplement.
Optional Redemption:	The Applicable Supplement issued in respect of each Series of Notes will state whether such Notes may be redeemed prior to their stated maturity and, if so, the terms applicable to such redemption.
Mandatory Redemption:	Unless otherwise specified in the Applicable Supplement, each Series of Notes will be redeemed prior to maturity:

- (a) if any Repackaging Assets or Related Assets in relation to such Series are redeemed early by the issuer of such assets and are not replaced with Substitute Assets in accordance with Condition 4(e) within 3 Business Days (as defined in the Terms and Conditions of the Notes) of such early redemption to the satisfaction of the Trustee, other than as contemplated in the Applicable Supplement; or
- (b) if the Credit Event Conditions have been satisfied in relation to such Series and the satisfaction of such Credit Event Conditions is specified as a Mandatory Redemption Event in the Applicable Supplement; or
- (c) where there has been a failure to pay on the due date therefor (without, unless otherwise specified in the Applicable Supplement, regard to any grace period) in respect of the Related Assets in relation to such Series; or
- (d) (other than as contemplated in connection with purchases of Notes by the Issuer, redemption of Notes and exchanges of Series of Notes) if any Related Agreement or Repo Agreement in relation to such Series is terminated, unless a replacement agreement is entered into within 3 Business Days of such early termination which is certified to the satisfaction of the Trustee to comply with the relevant criteria specified in the Applicable Supplement, other than as contemplated in the Applicable Supplement; or
- (e) if the terms and conditions of the Repackaging Assets or Related Assets in relation to such Series are amended such that the issuer thereof shall no longer be obliged to pay the same amounts on the same days as contemplated in the terms and conditions of such assets on the date of issue of the Notes of such Series, in circumstances where this results or would result in the Issuer being unable to pay amounts of interest or principal when due on the Notes of such Series; or
- (f) if a Tax Event (as defined below) occurs in relation to such Series and the Tax Materiality Condition (as defined below) is satisfied; or
- (g) in accordance with such mandatory redemption provisions as may be specified in the Special Conditions applicable to a Series of Notes (which may amend or supplement (a), (b), (c), (d), (e) or (f) above);

each a “**Mandatory Redemption Event**”, as further set out under Terms and Conditions of the Notes - Condition 7(b) – Mandatory Redemption and in respect of (g) above as further set out in the Special Conditions in the Applicable Supplement in respect of such Series of Notes.

Taxation:

All payments of principal and interest by the Issuer in respect of any Notes will be made subject to any applicable withholding or deduction of or on account of tax and the Issuer will not be obliged to pay additional amounts in respect of any such withholding or deduction. In the event of any such withholding or deduction, the Noteholders will not have the right to require the Issuer to redeem the affected Notes but the Issuer will, at its option, be entitled to redeem the affected Notes.

Unless otherwise specified in the Applicable Supplement, if any payment by a Counterparty under any Related Agreement is subject to any withholding or deduction for or on account of tax, such Counterparty will generally be obliged to pay an additional amount in respect of such withholding or deduction, but such Counterparty will generally be entitled to terminate the relevant Related Agreement in such circumstances. The Issuer may be obliged to redeem the

relevant Notes as a consequence of such termination, as more fully described under Terms and Conditions of the Notes - Condition 7(b) - Mandatory Redemption.

Unless otherwise specified in the Applicable Supplement, if any payment by the Issuer under any Related Agreement is subject to any withholding or deduction for or on account of tax, the Issuer will generally be obliged to pay an additional amount in respect of such withholding or deduction, but only to the extent that the Issuer has sufficient funds to pay such an additional amount in accordance with the application of proceeds provisions described in the Applicable Supplement and set out in detail in the applicable Supplemental Trust Deed. If the relevant Related Agreement does not provide for the payment of such an additional amount, or any additional amount that would otherwise be payable fails to become payable or is reduced because the Issuer has insufficient funds, the relevant Counterparty will generally be entitled to terminate the relevant Related Agreement. The Issuer may be obliged to redeem the relevant Notes as a consequence of such termination, as more fully described under Terms and Conditions of the Notes - Condition 7(b) - Mandatory Redemption.

Unless otherwise specified in the Applicable Supplement, if the Issuer suffers or will suffer tax in respect of its income or any sum payable to it under or in respect of any Related Agreement, any Repackaging Asset or any Related Asset such that the Issuer would be rendered unable to make payment in full of all amounts otherwise payable by it under the relevant Notes, Coupons, Receipts and any relevant Related Agreements, whether such tax arises by assessment, withholding or deduction from any sum payable to the Issuer (to the extent that no additional amount is payable in respect thereof) or otherwise, and the Tax Materiality Condition is satisfied, the Issuer may be obliged to redeem the relevant Notes, as more fully described under Terms and Conditions of the Notes - Condition 7(b) - Mandatory Redemption.

Unless otherwise specified in the Applicable Supplement, if the Issuer reasonably believes that it will otherwise be obliged to withhold or deduct any amount of or on account of tax from the next payment of principal or interest in respect of the Notes, the Issuer will, provided that no adverse taxation consequences would ensue, use all reasonable endeavours to procure:

- (a) that a company incorporated in another jurisdiction in which the relevant obligation of the Issuer to withhold or deduct an amount for or on account of tax does not apply, and which is approved in writing by the Trustee (but, if any Notes are rated by a Rating Agency or Rating Agencies, subject to the prior receipt by the Issuer and the Trustee of written confirmation from such Rating Agency or Rating Agencies that the credit rating of such Notes will not be adversely affected), is substituted as the principal obligor in respect of the relevant Notes; or
- (b) that a branch office of the Issuer is established in another jurisdiction in which the relevant obligation of the Issuer to withhold or deduct an amount of or on account of tax does not apply, and which is approved in writing by the Trustee, from which the Issuer will continue to make any payments due under the relevant Notes, Coupons, Receipts and/or any relevant Related Agreements.

Redemption by Instalments:

The relevant Applicable Supplement may provide that the Notes may be redeemed in two or more instalments in such amounts and on such dates and on such other terms as may be described therein.

Physical Settlement:

An Issuer may (if specified in the Applicable Supplement) be entitled to redeem Notes by physical delivery of all or part of a Reference

Asset or of some other asset or property (“**Physically-Settled Notes**”) instead of by payment of a cash amount (“**Cash-Settled Notes**”).

- Repurchase:** Unless the Applicable Supplement in respect of a Tranche of Notes specifies otherwise, Notes may be repurchased by the Issuer and thereafter may be held, resold or cancelled.
- Denominations of Notes:** The Notes shall be issued in such denominations as specified in the Applicable Supplement or such other minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body (whatever called)) or any laws or regulations applicable to the currency in which the Notes are denominated.
- Classes of Notes; Status:** Notes of a Series may be issued in various classes (each a “**Class**”) (as further specified in the Applicable Supplement) which classes will rank in priority of payment in the order described in the Applicable Supplement and/or specified in the Supplemental Trust Deed applicable to such Series of Notes.
- Notes may be issued on a subordinated or an unsubordinated basis as specified in the relevant Applicable Supplement.
- Except as specified in the Applicable Supplement, Notes of each Series issued on an unsubordinated basis (“**Unsubordinated Notes**”) will be secured, limited recourse obligations of the Issuer ranking *pari passu* and without preference among themselves and secured in the manner described in the Applicable Supplement. Notes issued on a subordinated basis (“**Subordinated Notes**”) will be secured, limited recourse obligations and will be subordinated to the unsubordinated obligations of the Issuer in respect of the Series of Notes secured on the same Charged Assets, as more fully described in the relevant Applicable Supplement. The relevant Applicable Supplement will set out the relationship between the Unsubordinated and Subordinated Notes including in connection with enforcement and meetings of Noteholders.
- The status of the Notes is more fully set out in Terms and Conditions of the Notes - Condition 3 (Status, ranking and Instructing Creditor) below.
- Restrictions on Issuers:** So long as any of the Notes issued by an Issuer remain outstanding, such Issuer will not, save to the extent permitted by the Transaction Documents, without the consent of the Trustee, *inter alia*, incur any indebtedness for borrowed money or give any guarantee or indemnity in respect of any indebtedness, consolidate or merge with any person or convey or transfer its property or assets to any person. The restrictions on the activities of the Issuer are more fully set out in Terms and Conditions of the Notes — Condition 5 (Restrictions).
- Cross Default:** None.
- Exchange of Series:** The Issuer of an existing Series (the “**Existing Series**”) may, if so specified in the Applicable Supplement and on the terms set out therein, elect to exchange that Existing Series for a new Series of Notes (the “**New Series**”) to be issued by such Issuer, subject to the terms set out in the Applicable Supplement.
- Listing:** Application may be made to list Notes on the Copenhagen Stock Exchange or to have Notes listed or admitted to trading on such other or additional stock exchange and/or quotation system as may be specified in the Applicable Supplement or Notes may be unlisted.
- Ratings:** Certain Notes issued pursuant to the Programme may be rated by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies Inc. and/or by Moody’s Investors Service Inc., and/or by Fitch Ratings Limited and/or by any other rating agency (each a “**Rating Agency**”). The Applicable Supplement for a Series or Tranche of such Notes will set out any additional requirements of the

Rating Agencies.

Governing Law:

The Notes, the Programme Agreement, the Principal Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Investment Intermediary and Advisory Agreement, the Operation Services Agreement, any Custody Agreement, any Custodial Undertaking, any Account Bank Agreement, any Deposit Agreement, any Repo Agreement, any Sale and Purchase Agreement and the Related Agreements (unless otherwise specified in the Applicable Supplement) will be governed by and construed in accordance with English law. All Supplementary Security Documents (as defined in Condition 4(b)) will be governed by the law specified therein.

Selling Restrictions:

There are restrictions on the sale and transfer of Notes and the distribution of the Information Memorandum (including any relevant Information Memorandum Addendum), the Applicable Supplement and any other offering materials. See Selling Restrictions below.

The Applicable Supplement will provide such additional sale and transfer restrictions as are considered appropriate.

RISK FACTORS

An investment in the Notes involves certain risks. The following is a summary of certain aspects of the issue of the Notes, the Charged Assets and the Underlying Assets about which prospective Noteholders should be aware but it is not intended to be exhaustive and prospective Noteholders should read the detailed information set forth elsewhere in this Information Memorandum, the Information Memorandum Addendum for the relevant Issuer (other than Mare Baltic) and the Applicable Supplement for the particular Notes.

General

Protected Cell Company

Mare Baltic has been established as a Protected Cell Company pursuant to the Protected Cell Companies Ordinance, 1997 to 1998 of Guernsey. As such, the assets and liabilities of Mare Baltic will be segregated as between Mare Baltic's "core" assets and liabilities and between the assets and liabilities attributable to each segregated cell of Mare Baltic established by its Board of Directors. It is the intention of the Board of Directors that each Series of Notes will be issued through a separate cell with a view to isolating, so far as possible, the performance of each Series of Notes issued by Mare Baltic.

Limited Recourse

If the amounts received from the Charged Assets securing a particular Series (whether or not any security granted in respect thereof has been enforced) are insufficient to make payment of all amounts due in respect of the Notes of the relevant Series and all other obligations attributable to that Series (after meeting the Trustee's, the Agents', any Custodian's, the Registrar's and any receiver's expenses, liabilities and remuneration, any amounts to satisfy an indemnity claim and any other amounts that rank in priority to the Notes of that Series) no other assets of the Issuer will be available to meet that shortfall and all further claims of the Noteholders in respect of such Notes will be extinguished, including, in the case of Hedging Agreements where the Hedging Counterparty ranks ahead of the Noteholders, the obligation to pay termination compensation in the event that the Hedging Agreement is terminated.

In certain circumstances (as indicated in the Applicable Supplement), the cash amount payable on Cash-Settled Notes, or the value of assets or property deliverable on Physically-Settled Notes, on redemption of such Notes (whether at maturity or otherwise) may be less than the principal amount of the Notes together with any accrued interest and may in certain circumstances be zero. Moreover, each interest-bearing Note may cease to bear interest upon the occurrence of certain defined events.

Withholding Taxes

In the event that withholding taxes are imposed on payments made or to be made under a Related Agreement to an Issuer and no additional amounts are payable to that Issuer in respect of such withholding taxes, or withholding taxes are imposed on payments made or to be made by the Issuer on the Notes, Noteholders will receive less than the full amount of payments to which they would otherwise have been entitled and will not have any right to require the Issuer to make additional payments in respect of the amount withheld or to require the Issuer to redeem their Notes as a consequence. The imposition of withholding taxes on payments made or to be made under a Related Agreement in relation to a Series of Notes to or by the Issuer may result in the termination of the relevant Related Agreement which, if not replaced within three Business Days, would lead to mandatory redemption of the Notes of the relevant Series pursuant to Condition 7(b)(i)(D).

Conflicts of Interest involving HSH Nordbank

HSH Nordbank is a Counterparty and the initial Dealer under the Programme and is also providing agency services in respect of issues of Notes under the Programme. HSH Nordbank may have placed or underwritten certain of the Notes issued under the Programme and may also be receiving fees for acting as a Counterparty under Related Agreements. From time to time the Issuers may also purchase Repackaging Assets and Related Assets from HSH Nordbank. In each of those capacities HSH Nordbank shall only be obliged to perform its express contractual obligations under the Transaction Documents and shall not have any fiduciary duty to the Noteholders, the Trustee or the Issuer. The interests of HSH Nordbank and the Noteholders may diverge.

HSH Nordbank and its affiliates may have a wide range of banking, trust and other financial relationships with obligors in relation to the Charged Assets or other Underlying Assets. As a consequence of these relationships, HSH Nordbank or its affiliates may take actions that, directly or indirectly, give rise to a Credit Event or other circumstance affecting the Charged Assets or other Underlying Assets. In managing such relationships, HSH Nordbank and its affiliates are under no obligation to consider the effect of their actions on the Charged Assets or other Underlying Assets or the Noteholders. In addition, in the course of such relationships or otherwise, HSH Nordbank or its affiliates may come into possession of material non-public information in relation to Reference Entities or Reference Obligations. HSH Nordbank will not be required

to disclose any such information in connection with the transactions described herein or to use such information for the benefit of the Noteholders, nor will the possession of such information prevent HSH Nordbank from taking actions under the Transaction Documents.

Security – Foreign Law Protection

The Security granted by the Issuer over the Repackaging Assets and Related Assets will be granted under local law in the jurisdiction or jurisdictions in which the assets are located. This may not be perfected in all relevant jurisdictions and certain jurisdictions may require moratoriums on enforcement in certain circumstances or may impose obstacles to enforcement. Further details in respect of an issue of Notes will be set out in the Applicable Supplement for such issue.

Custody Arrangements

The security granted by the Issuer over Repackaging Assets and Related Assets may relate to assets held by a Custodian. As a result of the structure of custody arrangements, it is possible that the security will only extend to the Issuer's rights against the Custodian and not to the Underlying Assets themselves. In particular, this may arise when arrangements are in place with sub-custodians. Also, the Custodian may in certain circumstances change the sub-custodian in relation to a particular Series and this may result in the security granted over Repackaging Assets and Related Assets extending only to the Issuer's rights against the Custodian. Clearing systems and certain sub-custodians may also have liens over Repackaging Assets and Related Assets for payment of their fees which may affect the amount available to Noteholders.

Prepayment risk

One of the risks associated with the Notes arises from their potential early redemption, which may be required to the extent that Underlying Assets are redeemed or which may follow as a result of another Mandatory Redemption Event (as to which see pages 18 and 49). There can be no guarantee as to the speed at which the Notes will be redeemed following a Mandatory Redemption Event. This will particularly affect the potential yield on any Notes purchased at a significant premium or with a fixed rate of return.

Different classes of Noteholders

If the Trustee, in its sole opinion and exercising its absolute discretion, considers there to be a conflict between the interests of Noteholders of different Classes, the Trustee will unless otherwise stated in the Applicable Supplement consider only the interests of the holders of the most senior Class of Notes and, if no Class of Notes is the most senior, will consider the Class of Notes with the earliest Scheduled Maturity Date and will have no liability to the Noteholders of any other Class or any other person in relation thereto for so doing. This may mean that acts of the Trustee will not be in the interests of the other Classes of Noteholders.

Counterparties as Instructing Creditors

Where so specified in the Applicable Supplement, the Instructing Creditor may be the Counterparty or Counterparties who may, in accordance with and in the circumstances described in the Applicable Supplement, request the Trustee to take actions contemplated in the Terms and Conditions of the Notes by means of a written request. The Trustee will, in taking such actions, unless otherwise stated in the Applicable Supplement, consider only the interests of the Counterparty or Counterparties and will have no liability to the Noteholders or any other person in relation thereto for so doing. This may mean that acts of the Trustee will not be in the interests of the Noteholders. Moreover, if the Instructing Creditor is the Counterparty or Counterparties, only such persons can enforce the Security granted in relation to the relevant Series of Notes if the Trustee fails to do so. This may mean that the Security is not enforced at a time when it would be in the interests of Noteholders to enforce the Security.

Variable Coupon Amount and Variable Redemption Amount structures

Amounts payable or securities or other assets deliverable in respect of Notes utilising these structures, whether in respect of principal or interest or otherwise, may be linked to the creditworthiness or occurrence of one or more credit-related events, performance of obligations or some other factor in relation to one or more persons or obligations or the price, value or performance of one or more indices or other formula.

Absence of Secondary Market; Limited Liquidity

There is not, at present, an active and liquid secondary market for any Notes and there is no certainty that a secondary market for any Notes issued under the Programme will develop. Even if a secondary market does develop, it may not continue for the life of the relevant Notes or it may leave Noteholders with illiquidity of investment. Illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield. Illiquidity can have an adverse effect on the market value of the Notes.

Repackaging Structures

Credit and Liquidity risk

The ability of any Issuer to make timely payments in full in respect of any Issue of Notes relating to a repackaging structure will be entirely dependent upon the Issuer receiving payments in respect of the Repackaging Assets and under the related Hedging Agreements in full and on time. It should also be noted that amounts owing to the Trustee, the Agents, any Custodian and any other secured party ranking in priority to, or *pari passu* with, the Noteholders which remain unpaid by the Issuer will reduce the amounts available to pay the Noteholders.

Termination of Hedging Agreements

The Issuer or a counterparty to a Hedging Agreement may terminate a Hedging Agreement in certain circumstances specified therein. In the event that a Hedging Agreement is terminated, the Issuer may be required to make substantial termination payments to the counterparty to that Hedging Agreement and, generally, such payments must be made before any payment of interest or principal is made on the Notes and will reduce the amounts available to make payments to any of the Noteholders.

Synthetic Structures

Possible insufficiency of payments under Related Agreements linked to Reference Assets to make payments when due on the Notes

There can be no assurance that the payments under Related Agreements linked to Reference Assets will be sufficient to make payments on the related Notes after making payments that rank senior to distributions on such Notes. If payments under Related Agreements linked to Reference Assets are insufficient to make payments on the related Notes, the Issuer will have no other assets available for payment of the deficiency. The Issuer's ability to make certain interest payments and principal repayments in respect of the Notes will be constrained by the terms of the Related Agreements linked to Reference Assets, including, in the case of Credit Swaps, the obligation to pay Cash Settlement Amounts in the event that the Credit Swap is terminated and, in relation to Notes where the Credit Swap Counterparty ranks ahead of the Noteholders, the requirement to pay termination compensation to the Credit Swap Counterparty before payment of any principal on any of the Notes.

Credit Exposure to Reference Entities

Following the occurrence of a Credit Event with respect to a Reference Entity and the satisfaction of the Credit Event Conditions, the amount of principal and interest an Issuer is obliged to pay to a Noteholder will be reduced and may be extinguished entirely. The purchase of Notes where the Underlying Assets are Reference Assets creates exposure which may be significantly leveraged to the credit of one or more Reference Entities. This presents risks in addition to those resulting from direct purchases of securities of or loans to a Reference Entity. The Issuer generally will not have a contractual relationship with any Reference Entity or any rights of set-off against any Reference Entity. The Issuer will not directly benefit from any collateral supporting a Reference Obligation and will not have the benefit of the remedies that would normally be available to a holder of such Reference Obligation.

Reliance on Credit Swap Counterparties

Noteholders will not have the right to obtain from the Trustee, the Issuer or the Credit Swap Counterparty (where the Credit Swap Counterparty is referred to in the Applicable Supplement), except as described in the Applicable Supplement, information on the Reference Entities or information regarding any obligation of any Reference Entity or the Reference Pool. The Credit Swap Counterparty will have no obligation to keep the Issuer, the Trustee or the Noteholders informed as to matters arising in relation to any Reference Entity or the Reference Pool, including whether or not circumstances exist under which there is a possibility of the occurrence of a Credit Event.

No Legal or Beneficial Interest in Obligations of Reference Entities

The existence of a Reference Asset does not constitute a purchase or other acquisition or assignment of any interest in any obligation of any Reference Entity or the grant of any security interest in any such obligation. The Issuer and the Trustee (on behalf of the Secured Creditors), therefore, will have rights solely against the Credit Swap Counterparty in accordance with the Credit Swap and will have no recourse against any Reference Entities. The Noteholders will not have any rights to acquire from the Credit Swap Counterparty (or to require the Credit Swap Counterparty to transfer, assign or otherwise dispose of) any interest in any specific obligation of any Reference Entity.

Credit Exposure to the Credit Swap Counterparty, Deposit Counterparties and Repo Counterparties

Where the Credit Swap Counterparty, a Deposit Counterparty or a Repo Counterparty is referred to in the Applicable Supplement, the ability of an Issuer to meet its obligations under the Notes will be dependent

on its receipt of payments from the Credit Swap Counterparty under any Credit Swap, from the Deposit Counterparty under any Deposit Agreement and from the Repo Counterparty under any Repo Agreement. Consequently, the Issuer is relying not only on the creditworthiness of the Reference Entities but also on the creditworthiness of the Credit Swap Counterparty to perform its obligations under any Credit Swap, the Deposit Counterparty to perform its obligations under any Deposit Agreement and of the Repo Counterparty to perform its obligations under any Repo Agreement. The Credit Swap Counterparty has no obligation to transfer any of its rights under any obligations of the Reference Entities or any other related documents in the event of a reduction or withdrawal of any rating of the Credit Swap Counterparty's senior unsecured debt. The insolvency of the Credit Swap Counterparty or a default by the counterparty under any Credit Swap or any Deposit Agreement or any Repo Agreement (as applicable) would adversely affect the ability of the Issuer to pay principal and interest when due under the Notes, could result in a withdrawal or downgrade of the ratings on the Notes (if such Notes are rated) and may result in the acceleration of the maturity of the Notes. In the event of the insolvency of any Repo Counterparty, it is possible that the proceeds of the sale of any Repo Securities may not be sufficient to cover payments due under the Notes. In any such event, the Noteholders could suffer a loss on their investment.

Market Risk in relation to Collateral Assets

Where the Related Assets are Collateral Assets which are not subject to a Repo arrangement, there will be no certainty as to whether the Collateral Assets, following the occurrence of a Credit Event requiring a disposal of Collateral Assets to generate proceeds to make a payment to the Credit Swap Counterparty under a Credit Swap, can be sold to realise sufficient proceeds to make payments in full to the Credit Swap Counterparty under a Credit Swap. This may mean that insufficient funds are available to pay Noteholders and the shortfall in proceeds may exceed what may otherwise have been expected as a result of the Credit Event. The market value of the Collateral Assets will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry and the financial condition of the issuer of the Collateral Assets. In addition, the Collateral Assets may comprise or include securities or other assets which are not admitted to any trading market and which are not readily realisable, which may in certain circumstances mean that it is not possible to raise any proceeds by sale of Collateral Assets at any given time.

Reference Pool Changes

In relation to portfolio-based Credit Swaps, the Credit Swap Counterparty may have considerable discretion, as set out in the Applicable Supplement, to change the composition of the Reference Pool, which may result in an increased likelihood that the Issuer will be required to make Cash Settlement Amounts and/or may result in reduced credit swap payments to the Issuer.

Reduction in the Portfolio Notional Amount

In relation to portfolio-based Credit Swaps, in addition to reductions in the portfolio notional amount as the result of payment of Cash Settlement Amounts, the portfolio notional amount also will decrease as a result of repayment in full of Reference Obligations, expiration of the credit protection period for Reference Obligations and voluntary decisions by the Credit Swap Counterparty to remove Reference Entities from the Reference Pool. If the Credit Swap Counterparty fails to designate substitute reference entities, the portfolio notional amount will in certain circumstances continue to decrease. The resulting decrease in the credit swap payments by the Credit Swap Counterparty will reduce the amount available to make payments on the Notes and will, in the absence of payment of Cash Settlement Amounts, trigger a redemption in part of Notes.

Termination of the Credit Swap

The Issuer or Credit Swap Counterparty may terminate a Credit Swap in certain circumstances specified therein. In the event that a Credit Swap is terminated, the Issuer may be required to make substantial termination payments to the Credit Swap Counterparty and, generally, such payments must be made before any payment of interest or principal is made on the Notes and will reduce the amounts available to make payments to any of the Noteholders.

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES.

For a discussion of certain risks and other factors that should be considered in connection with an investment in any specific Notes, see the section entitled "Risk Factors" in the relevant Information Memorandum Addendum (if any) for the relevant Issuer (other than Mare Baltic) and the section entitled "Risk Factors" in the relevant Applicable Supplement.

MARE BALTIC PCC LIMITED

General

Mare Baltic was incorporated in Guernsey (registered number 40490) as a protected cell company (a "PCC") with limited liability under the Companies (Guernsey) Laws 1994 to 1996 (as amended) and the Protected Cell Companies Ordinance, 1997 to 1998 (as amended) on 31 January 2003 under the name Mare Baltic PCC Limited for an unlimited duration. Clause 4 of the Memorandum of Association states that the objects for which the company is established include the carrying on of business as an investment company and the acquiring, investing in and holding by way of investment, shares, stocks, options, equities interests and securities of all kinds, bonds, debt instruments, convertible debt instruments, bills, notices, obligations, deposits, certificates of deposit, debentures and debenture stocks, mortgages, policies of assurance, issued or guaranteed by an individual person or by any company, mutual fund, unit trust, association or partnership whether with limited or unlimited liability constituted or carrying on business in any part of the world (and any right or interest therein) and from time to time selling, assigning, exchanging, varying, surrendering or disposing of any of the foregoing.

At the date of this Information Memorandum, Mare Baltic has no subsidiaries. The authorised share capital of Mare Baltic is EUR 200,000 divided into 200,000 shares of EUR 1 each. The issued core share capital of Mare Baltic is EUR 10,000 divided into 10,000 shares with a nominal value of EUR 1 each, each of which is fully paid up. Mare Baltic has established two cells. The issued share capital of each cell is EUR 1,000 divided into 1,000 shares with a nominal value of EUR 1 each, each of which is fully paid up. The total issued share capital of Mare Baltic, taking into account both core and cellular share capital, is EUR 12,000 divided into 12,000 shares with a nominal value of EUR 1 each, each of which is fully paid up.

All the issued shares of Mare Baltic are held for and on behalf of Harbour Trustees Limited as trustee of The Mare Baltic Charitable Trust. The Mare Baltic Charitable Trust was established pursuant to a Declaration of Trust ("**Declaration of Trust**") made by Harbour Trustees Limited on 7 May 2003 for charitable purposes.

Protected Cell Companies

A PCC will in part operate as any other company. It is capitalised by an injection of initial capital, and this initial capital forms the non-cellular assets of the company. However, by contrast with a normal limited company, a PCC can choose to create separate cells for the purpose of segregating and protecting the cellular assets attributed to those cells. Each cell will have its own share capital separate from that of any other cell and separate from the core non-cellular capital of the PCC. Despite the creation of separate cells, this does not create a legal person separate to the company. A PCC remains as a single legal entity.

The cellular assets attributable to a cell of a PCC are only available to the creditors of the company who are creditors in respect of that cell. The directors of Mare Baltic intend that each Series of Notes will be issued by a separate cell and the liabilities attributable to that Series of Notes will be liabilities solely of that cell payable only from cellular assets attributable to that cell. The cellular assets comprise the assets represented by the proceeds of that cell's share capital, the reserves attributable to that cell (e.g. retained earnings, share premiums) and all other assets attributable to the cells. The PCC directors are under a duty to keep cellular assets separate and separately identifiable from non-cellular assets, and to keep cellular assets attributable to each cell separate. The only exception to this is the floating charge as described on page 15. The floating charge is in favour of the Trustee (for the benefit of itself in respect of claims which are not claims in respect of, or relating to, one or more Series of Notes) over the Issuer's undertakings and assets from time to time which are not assets of a specific Cell and not otherwise effectively charged or assigned by way of specific charge or assignment pursuant to the Principal Trust Deed or any Supplemental Trust Deed or other security document provided that such security may only be enforced after the security in respect of all Series of Notes then outstanding and issued by the Issuer has become enforceable.

If liability arises attributable to particular cell of a PCC, the cellular assets attributable to that cell are primarily liable. To the extent that the cellular assets are not sufficient, the company's non-cellular assets are secondarily liable unless the relevant creditor has contracted to the contrary. It is intended that each series of Notes will have no secondary claim against Mare Baltic's non-cellular assets.

The separation of assets attributable to different cells continues to apply in liquidation. Assets attributable to each cell are distributed amongst the creditors of that cell. Those creditors will each have access to the non-cellular assets to the extent the cellular assets are not sufficient unless the relevant creditor has contracted to the contrary. It is intended that each series of Notes will have no secondary claim against Mare Baltic's non-cellular assets. If there are any surplus assets in each cell, these are distributed to the shareholders of that particular cell. Any non-cellular surplus is distributed to non-cellular shareholders according to the *pari passu* rules.

Registered Office and Principal Office

The registered office and principal office of Mare Baltic is situated at Harbour Trustees Limited, PO Box 73, Harbour Court, Les Amballes, St Peter Port, Guernsey GY1 3DD, Channel Islands.

Management and Administration

The directors of Mare Baltic, their respective business addresses and other principal activities and directorships at the date hereof are:

Name:	Business Address:	Principal Activity outside the Issuer:	Other Directorships:
Philip Clive Blows	Suite C3 Hirzel Court St Peter Port Guernsey GY1 2NL Channel Islands	Company Director	Corporate Directorate Services Limited Corporate Secretary Services Limited Harbour Consultancy Services Limited Harbour Court Director Limited Harbour Court Protector Limited Harbour Group Director Limited Harbour International Services Limited Harbour Nominees Limited Harbour Trustees Limited KS Nominees Limited KS Trustees Limited Acta Distribution Limited Airegarth Limited AKS Holdings Limited Arbco Limited (Cayman) Artistes Overseas Services Company Limited Belview Investments Limited Branch Energy Limited (IOM) Buchanan Insurance Company Limited Collisto Limited Conifer Investments Limited Contiki Properties Limited Contiki Travel (Europe) Limited Covenant Limited S.A. C.S. Alternative Investments Limited CTMR Limited Deller Corp Doyle Investments Limited Duijnlandstaete B.V. Eagle Drill Limited Elevations Limited Elgin Limited Elven Investments Limited Emitex Inc Escanaba Limited Faringdon Investments Limited FRP Corporation Garric Holdings Limited Hamida Investments Limited Hansard Management Services Limited Hansard Trust Company Limited Harley Investments Limited Harrier Limited Headway Investments ApS Heath Investments Limited Helena Limited Helios Alternative Strategies Limited Heritage Congo Limited Heritage Erbil Oil Limited Heritage Oil and Gas Holdings Limited Heritage Oil and Gas Limited Heritage North China Limited

Name:	Business Address:	Principal Activity outside the Issuer:	Other Directorships:
			Heritage Sudan Limited Highstone Limited Homestead Investments Limited Inquam (GB) B.V. Inquam (Indonesia) Limited Inquam (Norway) B.V. Inquam (UK) Holdings Limited InterSourcing Limited Intertechnica Properties Limited Island Directors Limited Island Secretaries Limited K.Fam Limited Kerdale Limited Lancaster Properties Limited Letseng Diamonds Limited M N M S Holding S.A. Memtech Limited Merganser Limited Mountview Holdings Limited Myconos Trading Company Limited Myrax Limited Nestico Limited Omega Selected Investment Managers Limited Oakdale Insurance Company Limited Packart Investments Inc Pelican Energy Corporation Pering Limited Phoenix Holdings Limited Pluris Alternative Investment Strategies Limited Pontefract Insurance Services Limited Pontos Investments Limited Rue Vautier Limited Selkirk Resources Limited Sherda Partners (Germany) B.V. Sogeval Fund Limited Sogeval Management Limited Sound Of The Seas Limited Southwest (Europe) Limited Sovlink Holdings Limited Statex Investments Limited Sussex Holdings Limited TLB Limited Total Return Alternative Strategies Limited TS Telecommunications (Spain) Tuscola Limited Universal Tractor Limited Valkia Invest B.V. W.H. Operations Limited W.P.S. Trading Company Limited Westminster Holdings (Africa) Limited X.J.K. Holdings Limited Zetah Congo Limited Zetah Kouilou Limited Zetah Noubi Limited
Sally Wilkinson	PO Box 73 Harbour Court Les Amballes St Peter Port Guernsey	Company Director	Aintree International Limited Bouet Investments Limited Compliance Consultants & Support (C.I.) Limited Corporate Directorate Services Limited

Name:	Business Address:	Principal Activity outside the Issuer:	Other Directorships:
	GY1 3DD Channel Islands		Corporate Secretary Services Limited E Vegas Inc. Epinal Trading Limited Harbour Consultancy Services Limited Harbour Court Director Limited Harbour Court Protector Limited Harbour Group Director Limited Harbour Insurance PCC Limited Harbour International Services Limited Harbour Nominees Limited KS Nominees Limited KS Trustees Limited Mandleton Limited Mineral Services International Limited Natresco International Inc. Onefamily Limited Software Centre Ltd. St Johns Limited Technology Investments & Exploration Limited The Harbour Group Limited Stuart M. Hardie Surveying Limited Albion Mill Holdings Limited Real Estate Investments Limited Vale Services Limited
Wayne Bulpitt	Suite F3 Hirzel Court St Peter Port Guernsey GY1 2NW Channel Islands	Company Director	Active Management Services Limited Active Consultancy Services Limited Hanseatic Asset Management LBG Hansa Fund PCC Limited Hansa Special Opportunities Fund Limited TAL Asset Management (Guernsey) Limited CIBC Private Client Fund Limited AOS Fund Services Limited M3 Capital Management (Guernsey) Ltd. M3 Capital Mutual Fund PCC Limited The International Mutual Fund PCC Limited M3 Capital Assurance PCC Limited BGL Reads Fund Management Limited Sonecho Wealth management Limited Scout Insurance (Guernsey) Limited Scout Services Limited The Scout Association Pension Fund Ruffer Investment Fund plc The Resource Fund Limited Resources Fund Management Limited Scout Insurance Services Limited

Harbour Trustees Limited (the "**Corporate Administrator**") of PO Box 73, Harbour Court, Les Amballes, St Peter Port, Guernsey GY1 3DD, Channel Islands, is responsible for the day to day administration of Mare Baltic pursuant to an administration agreement dated 7 May 2003 made between Mare Baltic and Harbour Trustees Limited (the "**Administration Agreement**"). The Corporate Administrator's business is the provision of corporate secretarial and administrative services to onshore and offshore structures with a range of commercial applications.

The Administration Agreement may be terminated:

- (A) by either party giving three months' written notice to the other party; or

- (B) immediately, upon one party giving the other party notice of immediate termination upon:
- (i) the other party becoming insolvent or going into liquidation (other than a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or a receiver being appointed of all or any of its assets or if some event having equivalent effect occurs; or
 - (ii) the other party committing a material breach of the Administration Agreement and (if such breach shall be capable of remedy) the other party not making good such breach within thirty days of service upon the party in breach of notice requiring the remedy of such breach.

There is no requirement contained within the Administration Agreement for a replacement corporate administrator to be appointed upon the termination of the appointment of Harbour Trustees Limited.

The fees payable by Mare Baltic pursuant to the Administration Agreement and any other administrative and statutory filing fees and expenses will be allocated equally between each Cell in existence.

The Secretary of Mare Baltic is Harbour International Services Limited of PO Box 73, Harbour Court, Les Amballes, St Peter Port, Guernsey GY1 3DD, Channel Islands.

Investments and Operations

On 4 July 2003, Mare Baltic entered into an Investment Intermediary and Advisory Agreement with Gudme Raaschou Bankaktieselskab (now known as HSH Gudme Bank A/S) ("**Gudme Raaschou**"), an HSH Nordbank affiliate, pursuant to which, *inter alia*, Gudme Raaschou agreed to provide, for a fee, certain advisory and referral services to Mare Baltic with respect to certain operations of Mare Baltic, including, but not limited to, the provision of advice in relation to repackaging structures and synthetic structures, and agreed to act as intermediary between Mare Baltic and, *inter alios*, potential subscribers of Notes.

The Investment Intermediary and Advisory Agreement may be terminated by either party giving thirty days' written notice to the other party during which time Mare Baltic shall appoint a successor Investment Adviser, provided that in the case of Notes which are to be rated by a rating agency, such appointment will not cause any relevant rating agency to reduce or withdraw its rating of the Notes.

On 4 July 2003, Mare Baltic entered into an Operation Services Agreement with HSH Nordbank pursuant to which, *inter alia*, HSH Nordbank agreed to provide, for a fee, certain operational services and advice to Mare Baltic in connection with the issuance and sale of Notes issued by Mare Baltic and the entering into and performance of Mare Baltic's obligations under certain of the Transaction Documents.

The Operation Services Agreement may be terminated by the earlier of:

- (A) the resignation of HSH Nordbank as Operation Services Provider (the "**Operation Services Provider**") upon thirty days' written notice to Mare Baltic; or
- (B) removal of the Operation Services Provider by Mare Baltic at any time upon thirty days' written notice to the Operation Services Provider, during which time Mare Baltic shall appoint a successor Operation Services Provider and such appointment shall have been accepted.

Business of the Issuer

The Principal Trust Deed contains restrictions on the activities that the Issuer may engage in. Pursuant to these restrictions, the business of Mare Baltic is limited to acquiring and holding the Repackaging Assets and the Related Assets (which shall include the making of loans or otherwise providing credit), issuing the Notes, entering into Related Agreements, entering into the Transaction Documents, acquiring and holding other assets, issuing further Series of Notes on terms substantially similar to the Terms and Conditions of the Notes set out herein, performing its obligations and exercising its rights thereunder and under the other agreements entered into by it in connection with the issue of the Notes, the Transaction Documents and such further Series and matters reasonably incidental thereto.

The assets of Mare Baltic will consist of the Repackaging Assets, the Related Assets and the rights under any Related Agreement in respect of each Series of Notes. Each cell shall have an issued and paid up capital of an amount determined in relation to such cell and the sum of EUR 10,000 will represent the issued and paid up core capital of Mare Baltic (which is not available to meet the liabilities of any of the cells).

The only assets of Mare Baltic available to meet claims of, amongst others, the holders of the Notes of any Series are the assets comprised in the Security for that Series.

The Notes issued by Mare Baltic as Issuer are obligations of Mare Baltic alone and not of the Trustee, any Dealer, any Counterparty or any other party to the Transaction Documents. Specifically, the Notes are

obligations of the issuing cell of Mare Baltic alone and will not be met by any other cell or the non-cellular core of Mare Baltic. Furthermore, they are not obligations of, or guaranteed in any way by, the Arranger.

AUDITED FINANCIAL STATEMENTS OF MARE BALTIC

The information presented on pages 33 to 35 of this Information Memorandum has been extracted without material adjustment from the Report and Financial Statements of Mare Baltic for the period 31 January 2003 to 31 December 2003. The Report and Financial Statements also contain notes which form part of the financial statements and which have not been reproduced here but are available for inspection as described in "General Information" below.

Balance Sheet at 31 December 2003

	Non-cellular DKK	Cell 1 DKK	Total DKK
Current assets			
Loans receivable		393,078,800	393,078,800
Debtors		6,493,762	6,493,762
Cash and cash equivalents	74,239	1,614,342	1,688,581
Total assets	<u>74,239</u>	<u>401,186,904</u>	<u>401,261,143</u>
Equity and liabilities			
Called up share capital	74,239	7,424	81,663
Net result		173,915	173,915
Non-current liabilities			
Bonds		392,773,340	392,773,340
Current liabilities			
Creditors		8,232,225	8,232,225
Total equity & liabilities	<u>74,239</u>	<u>401,186,904</u>	<u>401,261,143</u>

AUDITED FINANCIAL STATEMENTS OF MARE BALTIC

Income statement for the period 31 January 2003 to 31 December 2003

	Non-cellular DKK	Cell 1 DKK	Total DKK
Revenue			
Loan interest		8,341,177	8,341,177
Deposit interest income		601	601
		<u>8,341,778</u>	<u>8,341,778</u>
Expenditure			
Bond interest		4,270,121	4,270,121
Swap interest		3,461,715	3,461,715
Operational expenses		255,221	255,221
		<u>7,987,057</u>	<u>7,987,057</u>
Operating surplus		354,721	354,721
Unrealised gain on loans		12,897,994	12,897,994
Unrealised gain on swaps		334,759	334,759
Unrealised loss on bonds		(13,413,559)	(13,413,559)
Net result for the period		<u><u>173,915</u></u>	<u><u>173,915</u></u>

Statement of changes in equity for the period 31 January 2003 to 31 December 2003

	Non-cellular DKK	Cell 1 DKK	Total DKK
Balance at start of period	-	-	-
Issue of share capital	74,239	7,424	81,663
Result for the period	-	173,915	173,915
Balance at end of period	<u>DKK 74,239</u>	<u>DKK 181,339</u>	<u>DKK 255,578</u>

All activities in the Income Statement derive from continuing activities.

Cash flow statement for the period 31 January 2003 to 31 December 2003

	31.01.03 to 31.12.03 DKK
Cash flows from operating activities	
Operating profit for the period	173,915
Increase in debtors	(6,159,003)
Increase in creditors	8,232,225
	<hr/>
Net cash flow from operating activities	<u>2,247,137</u>
Cash flows from investing activities	
Loans advanced	(393,078,800)
Payment for swaps	(334,759)
	<hr/>
Net cash flows used in investing activities	<u>(393,413,559)</u>
Cash flows from financing activities	
Issue of bonds	392,773,340
Issue of ordinary share capital	81,663
	<hr/>
Net cash flows from financing activities	<u>392,855,003</u>
Net increase in cash and cash equivalents	1,688,581
Cash and cash equivalents at the beginning of the period	-
	<hr/>
Cash and cash equivalents at the end of the period	<u>1,688,581</u>

CAPITALISATION AND INDEBTEDNESS

The following Capitalisation and Indebtedness Table sets out the unaudited capitalisation and indebtedness of Mare Baltic as at 30 September 2004.

(as at 30 September 2004)

Shareholders' equity**Non-cellular**

Capital Stock EUR 10,000	EUR 10,000
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Cellular

Cell 2003-1	EUR 1,000
Cell 2004-1	

Indebtedness

	DKK 419,352,771 ¹
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Total Indebtedness	DKK 419,352,771 ¹
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Total Capitalisation and Indebtedness	DKK 420,211,279 ¹
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Save as disclosed above, there has been no material change in the capitalisation or indebtedness of the Issuer since 30 September 2004 other than the proposed issue of the ScandiNotes II as detailed in the Supplemental Information Memorandum dated 1 November 2004.

The share capital of Cell 2004-1 has since 30 September 2004 been established at EUR 1,000.

¹ Exchange rate EUR/DKK 744.16 as per 30/09/2004

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Applicable Supplement and, save for italicised paragraphs, will be incorporated by reference into (if such incorporation by reference is permitted by any relevant stock exchange and agreed by the relevant Issuer) or otherwise endorsed on or attached to each Global Note physically representing Notes in bearer form, each Registered Note Certificate representing Notes in registered form and Notes in definitive form (if any) and will be delivered to the relevant stock exchange in the case of Dematerialised Notes. Further information with respect to Notes of each Series will be given in the Applicable Supplement which will provide for those aspects of these terms and conditions which are applicable to those Notes. References in the terms and conditions to "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Programme. Terms used in the Applicable Supplement and not otherwise defined herein shall have the same meanings where used therein. The absence of any such term indicates that such term is not applicable to the Notes and references to a matter being "specified" means as the same may be specified in the Applicable Supplement.

The following terms and conditions are applicable only to Notes issued on or after the date of this Information Memorandum where such terms and conditions are expressly incorporated. For the text of the terms and conditions applicable to the Notes of the 2003-1 Series issued by Mare Baltic PCC Limited as an obligation of its 2003-1 cell, please see the Information Memorandum dated 4 July 2003.

The Notes (as defined in Condition 1(a) below) are constituted and secured by a principal trust deed dated 4 July 2003 (as amended or supplemented from time to time, the "**Principal Trust Deed**") to which the issuer and the trustee of the Notes (respectively the "**Issuer**" and the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees in respect of the Notes under the Trust Deed referred to below and shall mean, in relation to any Series of Notes, the persons identified in the relevant Supplemental Trust Deed as the trustee for that Series) are party (either as original parties thereto or by accession and/or other agreement), as supplemented in relation to the Notes by a supplemental trust deed (as amended or supplemented from time to time, the "**Supplemental Trust Deed**") dated on or prior to the Issue Date, between the Issuer, the Trustee and the other parties named therein (the Principal Trust Deed and such Supplemental Trust Deed being referred to herein as the "**Trust Deed**").

The Notes (other than dematerialised Notes) will have the benefit (to the extent applicable) of an agency agreement dated 4 July 2003 (as amended or supplemented from time to time, the "**Agency Agreement**") to which the Issuer, the Trustee, HSH Nordbank in its capacity as issue agent (the "**Issue Agent**", which expression shall include any successor to HSH Nordbank in its capacity as such), the Principal Paying Agent and the other Paying Agents (in the case of Bearer Notes) and the Registrar (in the case of Registered Notes) are party (either as original parties thereto or by accession and/or other agreement). As used herein, "**Calculation Agent**", "**Principal Paying Agent**", "**Paying Agents**", "**Copenhagen Paying Agent**", "**Registrar**" and/or "**Determination Agent**" means, in relation to the Notes, the person specified in the Applicable Supplement relating to the Notes as the Calculation Agent, Principal Paying Agent, Paying Agents, Copenhagen Paying Agent, Registrar and/or Determination Agent, respectively and, in each case, any successor to such person in such capacity.

The Notes (to the extent that they are dematerialised Notes), will have the benefit of a VP agency agreement (the "**VP Agency Agreement**") and a VP agreement (the "**VP Agreement**") to be entered into on or before the relevant Issue Date in respect of each Tranche or Series of Notes issued through the Danish Securities Centre (*Værdipapircentralen*) (the "**VP**"), such agreements to be entered into between, in the case of the VP Agreement, the Issuer, the VP and an institution authorised under the Danish Securities Trade Act to effect registrations and execute transactions in respect of securities issued through the VP (the "**VP Agent**") and, in the case of the VP Agency Agreement, between the VP Agent and the Issuer. The VP Agent shall act as the agent of the Issuer in all dealings with the VP in relation to the Notes and shall be the account controller (*kontoførende institut*) of the Issuer.

If so specified in the Applicable Supplement, the Issuer will also enter into a custody agreement (as amended or supplemented from time to time, the "**Custody Agreement**") or custodial undertaking (as amended or supplemented from time to time, the "**Custodial Undertaking**") to which the Trustee and the custodian specified in the Applicable Supplement relating to the Notes (the "**Custodian**", which expression includes any successor and any other custodian appointed in connection with any Notes) and in certain circumstances the Credit Swap Counterparty, the initial Repo Counterparty and the initial Deposit Counterparty are party (either as original parties or by accession and/or other agreement). In respect of any Series the Issuer may appoint any financial institution to act as custodian pursuant to the Custody Agreement or Custodial Undertaking, as the case may be, or, as the case may be, sub-custodian in

relation to that Series. As used herein “**Repo Counterparty**” and “**Deposit Counterparty**” mean the persons (if any) so entitled in the Supplemental Trust Deed.

Upon accession by each Issuer other than Mare Baltic PCC Limited to the relevant document, the Principal Trust Deed and the Agency Agreement will have effect as if such Issuers were named as parties thereto and such Issuers will be bound by the terms thereof.

The pricing supplement or supplemental information memorandum relating to each Series or Tranche of Notes (each an “**Applicable Supplement**”) will be incorporated by reference or, as applicable, endorsed upon or attached to the Notes and will supplement these Terms and Conditions (the “**Conditions**”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes.

Certain statements in the Conditions are summaries of the detailed provisions appearing on the face of the Notes (which expression shall include the body thereof), in the Applicable Supplement, the Trust Deed and/or any Supplementary Security Document (as defined in Condition 4(b) below). Copies of the Trust Deed, any Supplementary Security Document, the Applicable Supplement, the Agency Agreement and any Custody Agreement or Custodial Undertaking are available for inspection at the specified offices of the Principal Paying Agent as specified in the Applicable Supplement (save that, if the Notes are not admitted to listing on the Copenhagen Stock Exchange A/S (*Københavns Fondsbørs A/S*) (the “**Copenhagen Stock Exchange**”), the Applicable Supplement shall be available for inspection only by a Noteholder holding one or more Notes of the relevant Series and upon production by such Noteholder of evidence satisfactory to the relevant Paying Agent as to its identity).

The Noteholders (as defined in Condition 1 below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and any Supplementary Security Document and the Applicable Supplement and to have notice of those provisions of the Agency Agreement and the Custody Agreement (if any) and Custodial Undertaking (if any) applicable to them.

In relation to the Notes, the Programme Agreement, the Principal Trust Deed, the Agency Agreement, the VP Agency Agreement, the VP Agreement, any Deed of Accession, any sale and purchase agreement, any Custody Agreement, any Custodial Undertaking, the relevant account bank agreement, any deposit agreement, any repo agreement, the Applicable Supplement, the Supplemental Trust Deed, any Supplementary Security Document, any syndication agreement and any Related Agreement (as defined in Condition 4(a)) shall together be referred to as the “**Transaction Documents**”.

Any reference in these conditions to a matter being “specified” means as the same may be specified in the Applicable Supplement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the Applicable Supplement shall have the same meaning where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of any inconsistency between the Agency Agreement, the Trust Deed and the Applicable Supplement, the Applicable Supplement will prevail.

1. Form, Denomination and Title

(a) *Form and Denomination*

The Notes of the Series of which this Note forms a part (in these Conditions, the “**Notes**”) will be issued (i) in bearer form (“**Bearer Notes**”), serially numbered in an Authorised Denomination (or an integral multiple thereof), or (ii) in registered form (“**Registered Notes**”) in an Authorised Denomination (or an integral multiple thereof), or (iii) in dematerialised negotiable form (“**Dematerialised Notes**”) in an Authorised Denomination (or an integral multiple thereof), in which case they will be registered with a separate securities identification code (*fondskode*) in the VP. “**Authorised Denomination**” means the currency and denomination or denominations or such currency or currencies specified in the Applicable Supplement. References herein to “**Notes**” shall include Bearer Notes and/or Registered Notes and/or Dematerialised Notes as specified in the Applicable Supplement. Bearer Notes of one Authorised Denomination may not be exchanged for Bearer Notes of another Authorised Denomination.

Interest bearing Bearer Notes in definitive form (each a “**Definitive Note**”) are issued with Coupons (and, where appropriate, a Talon) attached. In the case of Zero Coupon Notes and Non-Interest Bearing Notes, references to interest (other than the Amortisation Yield), Coupons and Talons in these Conditions are not applicable. After all the Coupons attached to, or issued in respect of, any Definitive Note which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and, if applicable, one

further Talon, will be issued against presentation of the relevant Talon at the specified office of any Paying Agent specified in the Applicable Supplement. Any Definitive Note the principal amount of which is redeemable in instalments may be issued with one or more Receipts attached thereto. **“Scheduled Maturity Date”** means the date specified in the Applicable Supplement as the final date on which the principal amount of the Note is due and payable.

A certificate in respect of a Registered Note (each a **“Registered Note Certificate”**) will be issued substantially in the form of Part IX of Schedule 2 to the Principal Trust Deed to each Noteholder in respect of its registered holding.

(b) *Title*

Title to Bearer Notes, Coupons, Receipts and Talons (if any) passes by delivery. Title to Registered Notes passes by registration in the register which the Issuer shall procure to be kept by the Registrar (the **“Register”**). Dematerialised Notes are negotiable securities in accordance with Section 70 of the Danish Securities Trade Act and title to Dematerialised Notes may be transferred between accountholders at the VP by registration in accordance with the regulations of the VP which are in force from time to time.

In these Conditions, subject as provided below, **“Noteholder”** and (in relation to a Note, Coupon, Receipt or Talon) **“Holder”** means the bearer of any Bearer Note, Coupon, Receipt or Talon (as the case may be) and the person in whose name a Registered Note is registered and, in the case of Dematerialised Notes, the person in whose name a particular nominal amount of Notes for the time being is registered with the VP, as the case may be. The expressions **“Noteholder”** and **“Holder”** include the holders of instalment receipts (the **“Receipts”**) appertaining to the payment of principal by instalments (if any) attached to such Notes (the **“Receiptholders”**) and the holders of the coupons (the **“Coupons”**) (if any) appertaining to interest bearing Notes in bearer form (the **“Couponholders”**), which expression includes the holders of talons (the **“Talons”**) (if any) for further coupons attached to such Notes (the **“Talonholders”**)).

The holder of any Note, Coupon, Receipt or Talon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the relevant Note or Registered Note Certificate, or its theft or loss or any express or constructive notice of any claim by any other person of any interest therein other than, in the case of a Registered Note, a duly executed transfer of such Note in the form endorsed on the Registered Note Certificate in respect thereof) and no person will be liable for so treating such Holder. The Issuer and the Trustee may rely on a certificate of the VP or issued on behalf of the VP by an account controller as to a particular person being a Noteholder.

(c) *Fungible Tranches of Notes comprising a Series*

A Series of Notes may comprise a number of tranches (each a **“Tranche”**), which will be issued on identical terms save for the issue date and the first interest payment. Notes of different Tranches of the same Series will be fungible, except as specified in the Applicable Supplement. Except as so specified, if a further Tranche (a **“Further Tranche”**) is issued in respect of a Series, the pool of assets relating to such Further Tranche will be fungible with or otherwise equivalent to the Underlying Assets and the Related Assets for the existing Tranche or Tranches (an **“Original Tranche”** and **“Original Tranches”** respectively) and the Related Agreement for the Original Tranche or Original Tranches will be amended to apply to both the Original Tranche or Original Tranches and such Further Tranche and will represent a pro rata increase in such assets.

(d) *Classes of Notes comprising a Series*

Notes of a Series may be issued in various classes (each a **“Class”**) (as further specified in the Applicable Supplement) which classes will rank in priority of payment in the order specified in the Supplemental Trust Deed applicable to such Series of Notes and as described in the Applicable Supplement.

2. Exchanges of Notes and Transfers of Registered Notes

(a) *Exchanges of Notes*

Bearer Notes may not be exchanged for Registered Notes. Registered Notes may not be exchanged for Bearer Notes. Dematerialised Notes may not be exchanged for either Registered Notes or Bearer Notes.

(b) *Transfer of Registered Notes*

Subject as provided in this Condition 2, a Registered Note may be transferred upon the surrender of the relevant Registered Note Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes proposed to be transferred to the transferee and the balance of Registered Notes proposed to be retained by the relevant transferor are both Authorised Denominations. In the case of a transfer of part only of a holding of Registered Notes represented by a Registered Note Certificate, a new Registered Note Certificate in respect of the balance not transferred will be issued to the transferor.

(c) *Delivery of new Registered Note Certificates*

Each new Registered Note Certificate to be issued upon transfer of Registered Notes will, within three Business Days (in the place of the specified office of the Registrar) of receipt of the form of transfer, be available for delivery at the specified office of the Registrar stipulated in the form of transfer, or be mailed at the risk of the Noteholder entitled to the Registered Note Certificate to such address as may be specified in such form of transfer. For these purposes, a form of transfer received by the Registrar or the Copenhagen Paying Agent, as applicable, after the Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar or the Copenhagen Paying Agent until the day following the due date for such payment.

(d) *Transfer at the expense of transferor Noteholder*

Registration of Notes on transfer will be effected at the expense of the transferor Noteholder by or on behalf of the Issuer or the Registrar, and upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation to it.

(e) *Closed periods*

No transfer of a Registered Note to be registered or a Temporary Global Note to be exchanged for a Permanent Global Note may occur during the period of 15 days ending on the due date for any payment of principal, interest or Redemption Amount on that Note.

3. Status, ranking and instructing Creditor(a) *Unsubordinated Notes*

This Condition 3(a) is applicable only in relation to Notes which are specified in the Applicable Supplement as being unsubordinated.

The Notes, Coupons and Receipts (if any) are limited recourse obligations of the cell of the Issuer specified in the Applicable Supplement established as a segregated cell in accordance with the Guernsey Protected Cell Companies Ordinance, 1997 to 1998 (as amended), secured in the manner described in Condition 4 and recourse in respect of which is limited in the manner described in Condition 11 and will rank *pari passu* without any preference among themselves.

(b) *Subordinated Notes*

This Condition 3(b) is applicable only in relation to Notes which are specified in the Applicable Supplement as being subordinated ("**Subordinated Notes**").

In the case of Subordinated Notes, the Notes, Coupons and Receipts (if any) are subordinated and ranked as provided in the Supplemental Trust Deed and described in the Applicable Supplement.

(c) *Instructing Creditor*

The Applicable Supplement and Supplemental Trust Deed will specify in relation to that Series of Notes whether the Instructing Creditor is:

- (a) Counterparties only; or
- (b) Noteholders only; or
- (c) a combination of Counterparties and Noteholders.

Where the Instructing Creditor is “Noteholders”, the Noteholders can (where specified) request the Trustee to take actions contemplated in the Conditions by means of a request in writing of the holders of a majority in principal amount of the Notes of such Series then outstanding or by means of an Extraordinary Resolution of such Noteholders. Where the Instructing Creditor is “Counterparties”, the Counterparty or, or if more than one, the Counterparties acting together may, in accordance with and in the circumstances specified in the Applicable Supplement, request the Trustee to take actions contemplated in the Conditions by means of a request in writing of the Counterparty or Counterparties. Where the Instructing Creditor is a combination of Counterparties and Noteholders, the procedures for requesting the Trustee to take actions contemplated in the Conditions shall be as described in the Applicable Supplement and set out in the Supplemental Trust Deed.

Having received such a request from the Instructing Creditor, the Trustee shall not be obliged to consider the interests of any other Secured Creditors for such Series.

The security in relation to any Series of Notes will become enforceable upon the Trustee giving an Enforcement Notice (as defined in Condition 10) to the Issuer of that Series subsequent to an Event of Default or as otherwise provided in the Trust Deed.

The Trustee shall not be bound to give any Enforcement Notice in respect of any Series of Notes, to take any steps or institute any proceedings to enforce the security for any Series or to enforce payment of any amount due and payable under or pursuant to the Notes of any Series or any Related Agreement unless it shall have been so requested by the Instructing Creditor in relation to such Series and has been secured and/or indemnified to its satisfaction.

The Trustee will, where the interests of the Instructing Creditor conflict with those of the other Secured Creditors (as defined in Condition 4(b)), prefer the interests of such Instructing Creditor over the interests of the other Secured Creditors (and shall not take into account the interests of such other Secured Creditors).

4. **Related Agreements and Security**

(a) *Related Agreements*

In connection with the issue of the Notes of any Series, the Issuer may enter into swap agreements and transactions, derivative transactions, put and call transactions or other hedging agreements or option agreements (including in relation to interest rate or currency hedging) or any letters of credit, guarantees or other credit support or credit enhancement documents or other financial arrangements (each a “**Related Agreement**”) with one or more counterparties (each a “**Counterparty**”). The obligations of a Counterparty may be guaranteed by a guarantor (a “**Guarantor**”).

(b) *Security*

Over and above the segregation of each series of Notes and the assets attributable thereto, the Trust Deed will provide that the obligations of the Issuer under the Notes, Coupons and Receipts (if any) of a Tranche or Series appertaining thereto to the Trustee on its own behalf and on behalf of the Noteholders and to those persons referred to in the Applicable Supplement (collectively, the “**Secured Creditors**”) are secured by security interests (governed by English law and/or the law of any other relevant jurisdiction) over certain charged assets as specified in the relevant Supplemental Trust Deed, including any relevant Related Agreement, and such other assets as are specified in the Applicable Supplement.

The Trust Deed will also provide that the obligations of the Issuer to the Trustee under the Trust Deed will also be secured by a floating charge in favour of the Trustee (for the benefit of itself in respect of claims which are not claims in respect of, or relating to, one or more Series of Notes) governed by English law over the Issuer’s undertaking and assets from time to time which are not assets of a specific Cell and not otherwise effectively charged or assigned by way of specific charge or assignment pursuant to the Principal Trust Deed or any Supplemental Trust Deed or other security document governed by the laws of any jurisdiction other than England or over assets situated in any jurisdiction other than England. This security will only be exercisable by the Trustee after any Security in respect of all Series of Notes then outstanding and issued by the Issuer has become enforceable.

The security created by each Supplemental Trust Deed may be supplemented by such further security documents (each a “**Supplementary Security Document**”) and, together with such Supplemental Trust Deed, the “**Security Documents**”) as may, from time to time, be required in accordance with and as specified in the Applicable Supplement (together, the “**Security**”).

The assets on which the Notes of a Series are secured are referred to as the “**Charged Assets**”. All amounts arising in respect of the Charged Assets will be applied in accordance with the application of proceeds provisions set out in the applicable Supplemental Trust Deed.

To the extent that an obligor under the Charged Assets fails to make payments to the Issuer on the due date therefor, the Issuer may be unable to meet its obligations (a) under the Related Agreement(s) (if any) and/or (b) in respect of the Notes, the Coupons (if any) or the Receipts (if any) as and when they fall due. In addition, to the extent that a Related Agreement is terminated the Issuer may also be unable to meet such obligations. In any such event, and subject to Condition 7(b) and Condition 10, the Notes may become repayable in accordance with the Conditions. In any such event, following a mandatory redemption of the Notes the amount received may be insufficient to pay all amounts due to the Secured Creditors (including the Noteholders).

The Notes are also capable of being declared immediately due and repayable prior to their stated date of maturity or other date or dates for their redemption following the occurrence of any of the Events of Default more particularly specified in Condition 10. Once notice has been given to the Issuer by the Trustee following any such occurrence (and the Instructing Creditor may direct the Trustee to give such notice), the Notes will become repayable in accordance with the Conditions and the Security therefor will become enforceable in accordance with and subject to the provisions of Condition 11. On any such enforcement, the amount received may be insufficient to pay all amounts due to the Secured Creditors (including the Noteholders).

(c) *Application of Proceeds*

All monies received by the Trustee in connection with the Charged Assets or the Notes will be held by the Trustee on trust to apply the same in accordance with the application of proceeds provisions set out in the applicable Supplemental Trust Deed.

(d) *Liquidation of Related Assets*

The Related Assets shall be liquidated by or at the direction of the Issuer, in whole or in part as applicable, other than on enforcement of the security in respect of the Charged Assets by the Trustee, after taking account of any advice received from the Investment Adviser to the Issuer, following the satisfaction of the Credit Event Conditions, where applicable, requiring a payment to a Counterparty to the extent necessary to make the payment to such Counterparty after taking into account and utilising amounts standing to the credit of the Issuer with the Custodian, if any, and the Account Bank in relation to the Series which are available for such purpose. The proceeds of such liquidation shall be used, in accordance with the application of proceeds provisions described in the Applicable Supplement and set out in detail in the applicable Supplemental Trust Deed, to make the relevant payment to such Counterparty. Any amounts remaining after such application shall be deposited to an account of the Issuer with the Account Bank to be used, in accordance with the application of proceeds provisions described in the Applicable Supplement and set out in detail in the applicable Supplemental Trust Deed, to make other payments required to be made in relation to the Series.

(e) *Substitution, Lending and Repos of Repackaging Assets and Related Assets*

If specified in the Applicable Supplement, the Issuer may from time to time with the prior written consent of the Trustee, subject to certification by the Issuer to the Trustee as to the satisfaction of the substitution criteria set out in the Applicable Supplement and subject (in the case of Notes which are rated by any rating agency or rating agencies, each a “**Rating Agency**”) to the Issuer having obtained prior written confirmation (addressed to the Issuer and the Trustee) from each such Rating Agency that the then credit rating of the Notes will not be adversely affected, substitute alternative assets (“**Substitute Assets**”) for such of the Repackaging Assets and Related Assets as the Issuer may deem appropriate. Substitute Assets will become Repackaging Assets and Related Assets as appropriate and will be held subject to the Security in favour of the Trustee as set out or contemplated in the Supplemental Trust Deed. The Issuer shall notify the Noteholders (and the other Secured Creditors) of any substitution of Repackaging Assets and Related Assets in accordance with Condition 15.

On such substitution, on such terms as are set out in the Applicable Supplement, any relevant Related Agreement may be terminated, replaced or amended in view of the income expected to be received in respect of any such Substitute Assets. If so terminated, the relevant Counterparty will make any payment due to the Issuer or the Issuer will make any payment due to such Counterparty pursuant to the terms of such Related Agreement.

Unless otherwise specified in the Applicable Supplement, subject to the prior written consent of the Trustee and certification by the Issuer to the satisfaction of the criteria set out in the relevant Applicable Supplement, the Issuer may lend, repo or otherwise transfer all or any of the Repackaging Assets and Related Assets on terms that assets equivalent to the Repackaging Assets and Related Assets will be transferred to the Issuer at the scheduled maturity or early redemption of such loan, repo or other transaction or in the event of a Mandatory Redemption Event (see below) or on such other date or dates as may be specified in the Applicable Supplement.

- (f) For the purposes of this Condition the following terms shall have the following meanings:

“Credit Event Conditions” where applicable to a particular Series of Notes will be defined in the relevant Applicable Supplement.

“Investment Intermediary and Advisory Agreement” means an investment intermediary and advisory agreement (as amended from time to time) between the Issuer and an Investment Adviser (as defined therein) pursuant to which such Investment Adviser shall at the request of the Issuer make proposals and give advice to such Issuer.

“Operation Services Agreement” means an operation services agreement entered into between the Issuer and an Operation Services Provider (as defined therein) under which the operation services provider (if any) identified in the Information Memorandum (in the case of Mare Baltic PCC Limited) or the relevant Information Memorandum Addendum is appointed.

5. Restrictions

So long as any of the Notes issued by an Issuer remain outstanding, the Issuer will not, save to the extent permitted or contemplated herein or by the Transaction Documents:

- (a) engage in any business (other than acquiring and holding the Repackaging Assets and the Related Assets (which shall include the making of loans or otherwise providing credit), issuing the Notes, entering into Related Agreements, entering into the other Transaction Documents, acquiring and holding other assets, issuing further Series of Notes on terms substantially similar to these Conditions, performing its obligations and exercising its rights thereunder and under the other agreements entered into by it in connection with the issue of the Notes, the Transaction Documents and such further Series and matters reasonably incidental thereto);
- (b) have any subsidiaries;
- (c) have any employees or premises;
- (d) incur or permit to subsist any indebtedness for borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness other than issuing further Notes pursuant to the Principal Trust Deed provided that each Series of such other Notes is secured on assets of the Issuer other than assets securing any other Series of Notes;
- (e) sell or otherwise dispose of the Charged Assets or any interest therein or agree or purport to do so;
- (f) create or permit to exist upon or affect any of the Charged Assets relating to any Series any security interest whatsoever other than as contemplated by the Security Documents in relation to such Series;
- (g) consolidate or merge with any other person or convey or transfer its properties or assets to any person;
- (h) permit the validity or effectiveness of the Trust Deed, any other Security Document, any guarantee arrangements executed in relation to the issue of Notes or the priority of the security created thereby to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security to be released from such obligations; or
- (i) release any party to any Related Agreement from any executory obligation thereunder.

The Trustee shall be entitled to rely absolutely on a certificate of two directors of the Issuer in relation to any matter relating to such restrictions and to accept without liability any such certificate as sufficient evidence of the relevant fact or matter in question.

6. Interest and other Calculations

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Note the subscription price for which is payable in instalments (a "**Partly-Paid Note**"), the amount paid up) from (and including) the Interest Commencement Date (which unless otherwise specified in the Applicable Supplement shall be the Issue Date) at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Scheduled Maturity Date if that does not fall on an Interest Payment Date.

Except as provided in the Applicable Supplement, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on such date will amount to the Fixed Coupon Amount. Payments of interest on the first Interest Payment Date will, if so specified in the Applicable Supplement, amount to the amount specified in the Applicable Supplement as "Broken Amount".

If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined in Condition 6(g) below), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(b) *Interest on Floating Rate Notes and Variable Coupon Amount Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note and Variable Coupon Amount Note bears interest on its outstanding nominal amount (or, if it is a Partly-Paid Note, the amount paid up) from (and including) the Interest Commencement Date (which unless otherwise specified in the Applicable Supplement shall be the Issue Date) and such interest will be payable in arrear on either:

- (A) the Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the Applicable Supplement; or
- (B) if no express Interest Payment Date(s) is/are specified in the Applicable Supplement, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Interest Period in the Applicable Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Variable Coupon Amount Notes will be determined in the manner specified in the Applicable Supplement.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the Applicable Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Applicable Supplement) the Margin (if any). For the purposes of this subparagraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the Applicable Supplement;
- (2) the Designated Maturity is a period specified in the Applicable Supplement; and

- (3) unless otherwise stated in the Applicable Supplement, the relevant Reset Date is the first day of that Interest Period.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the Applicable Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
 (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Copenhagen time, in the case of CIBOR, or London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the Applicable Supplement) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Supplement as being other than CIBOR, LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the Applicable Supplement.

(iii) *Minimum and/or Maximum Rate of Interest*

If the Applicable Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the Applicable Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Principal Paying Agent or, where specified in the Applicable Supplement, the Calculation Agent, in the case of Floating Rate Notes, and the Calculation Agent or, where specified in the Applicable Supplement, the Determination Agent, in the case of Variable Coupon Amount Notes, will at, or as soon as practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Variable Coupon Amount Notes, the Calculation Agent or Determination Agent (as applicable) will notify the Principal Paying Agent and the VP Agent, if any, of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent or Determination Agent (as applicable) will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes and Variable Coupon Amount Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**sub-unit**” means with respect to any currency, the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

(v) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent and VP Agent, if any, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Trustee and the VP and any stock exchange or other relevant authority on which the relevant Floating Rate Notes or Variable Coupon Amount Notes are for the time being listed or by which they have been admitted to listing or trading and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination (which is expected to be no later than the first day of the Interest Period). Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes or Variable Coupon Amount Notes are for the time being listed or by which they have been admitted to listing or trading and to the Noteholders in accordance with Condition 15. In relation to Dematerialised Notes, the notification of any rate or amount, if applicable, shall be made through the VP Agent to the VP in accordance with and subject to the VP rules and regulations for the time being in effect.

(vi) *Determination or Calculation by Trustee*

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent or the Determination Agent (as applicable) defaults in its obligation to determine the Rate of Interest or the Calculation Agent or the Determination Agent (as applicable) defaults in its obligation to calculate any Interest Amount in accordance with sub-paragraph (ii)(A) or (B) above or as otherwise specified in the Applicable Supplement, as the case may be, and in each case in accordance with paragraph (iv) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 6, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the Applicable Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances. In making any such determination or calculation, the Trustee may appoint and rely on a determination or calculation by a calculation agent or a determination agent (which shall be an investment bank or other suitable entity of international repute). Each such determination or calculation shall be deemed to have been made by the Principal Paying Agent, the Calculation Agent or the Determination Agent, as applicable.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(b), whether by the Principal Paying Agent, the VP Agent or, if applicable, the Calculation Agent or the Determination Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the VP Agent, the Trustee, the Principal Paying Agent and (as applicable) the Calculation Agent or the Determination Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the VP Agent, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or (as applicable) the Calculation Agent or the Determination Agent or the Trustee in connection with the exercise or non-exercise by it of any of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the Applicable Supplement.

(d) *Interest on Partly-Paid Notes*

In the case of Partly-Paid Notes (other than Partly-Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the Applicable Supplement.

(e) *Interest Rate on Zero Coupon Notes*

The Interest Rate for any overdue principal in respect of a Zero Coupon Note shall be a rate per annum (expressed as a percentage) equal to the figure expressed to be the amortisation yield (the "**Amortisation Yield**") shown on the face of the Note or in the Applicable Supplement (as well after as before judgment) up to the Relevant Date (as defined in Condition 7(d)).

(f) *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 6 to the Relevant Date.

(g) *Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes*

In these Terms and Conditions, "**Business Day**" means a day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Copenhagen and any Additional Business Centre specified in the Applicable Supplement; and
- (ii) either:
 - (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than Copenhagen); or
 - (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the "**TARGET System**") is operating.

If a Business Day Convention is specified in the Applicable Supplement and if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) in any case where Interest Periods are specified in accordance with Condition 6(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date:
 - (i) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business

Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Interest Period after the month in which the preceding applicable Interest Payment Date occurred; or

- (ii) in the case where there is no numerically corresponding day in the calendar month on which an interest payment date should occur shall be the last day that is a Business Day in the relevant month and the provisions of Condition 6(b)(i)(B) above of this paragraph shall apply *mutatis mutandis*.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

- (1) if **“Actual/Actual (ISMA)”** is specified in the Applicable Supplement:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **“Accrual Period”**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the Applicable Supplement) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (2) if **“Actual/365”** or **“Actual/Actual”** is specified in the Applicable Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (3) if **“Actual/365 (Fixed)”** is specified in the Applicable Supplement, the actual number of days in the Interest Period divided by 365;
- (4) if **“Actual/365 (Sterling)”** is specified in the Applicable Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (5) if **“Actual/360”** is specified in the Applicable Supplement, the actual number of days in the Interest Period divided by 360;
- (6) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified in the Applicable Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless, in the case of Floating Rate Notes, (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (7) if **“30E/360”** is specified in the Applicable Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the day last preceding the Scheduled Maturity Date, such last preceding day is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or

(8) such other Day Count Fraction as may be specified in the Applicable Supplement.

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

“Interest Period” means the period from (and including) an Interest Payment Date (or in respect of the first period, the Interest Commencement Date or, if none is specified, the Issue Date) to (but excluding) the next (or first) Interest Payment Date.

“Margin” means, in relation to a Note or Series, the margin specified in the Applicable Supplement.

“Redemption Amount” means, unless otherwise specified in the Applicable Supplement (which may include details of redemption amounts payable on early redemption, each an **“Early Redemption Amount”**), in relation to a Note or a Series, the amount of the original face value thereof less any repayment of principal made to the Holder(s) thereof in respect of such Note or Series.

“Variable Coupon Amount Notes” means Notes described as such in the Applicable Supplement.

“Variable Redemption Amount Notes” means Notes described as such in the Applicable Supplement.

If **“adjusted”** is specified in the Applicable Supplement, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, as such Interest Payment Date shall, where applicable, be adjusted in accordance with the Business Day Convention.

If **“unadjusted”** is specified in the Applicable Supplement, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date, as adjusted in accordance with the Business Day Convention, but shall be calculated in respect of the period from (and including) a Period End Date (or the Interest Commencement Date) to (but excluding) the next (or first) Period End Date. For the purpose of this paragraph **“Period End Date”** means an Interest Payment Date prior to any modification as a result of any Business Day Convention.

7. Redemption, Purchase and Exchange

(a) *Redemption at Maturity*

Unless previously redeemed, or purchased and cancelled as provided below, or unless such Note is stated in the Applicable Supplement as having no fixed maturity date, each Note will be redeemed at its Redemption Amount (as defined in Condition 6(g)), on the date or dates (or, in the case of Floating Rate Notes, on the date or dates upon which interest is payable) specified in the Applicable Supplement.

(b) *Mandatory Redemption*

(i) If, in relation to a Series, any of the following events (each a **“Mandatory Redemption Event”**) occurs:

- (A) any Repackaging Assets or Related Assets in relation to such Series are redeemed early by the issuer of such assets and are not replaced with Substitute Assets in accordance with Condition 4(e) within 3 Business Days of such early redemption to the satisfaction of the Trustee, other than as contemplated in the Applicable Supplement; or
- (B) if the Credit Event Conditions have been satisfied in relation to such Series and the satisfaction of such Credit Event Conditions is specified as a Mandatory Redemption Event in the Applicable Supplement; or
- (C) there has been a failure to pay on the due date therefor (without, unless otherwise specified in the Applicable Supplement, regard to any grace period) in respect of the Related Assets in relation to such Series; or
- (D) (other than as contemplated in Conditions 7(c), 7(f), 7(g) and 7(k)) any Related Agreement or Repo Agreement in relation to such Series is terminated unless a

replacement agreement is entered into within 3 Business Days of such early termination which is certified to the satisfaction of the Trustee to comply with the relevant criteria specified in the Applicable Supplement, other than as contemplated in the Applicable Supplement; or

- (E) if the terms and conditions of the Repackaging Assets or Related Assets in relation to such Series are amended such that the issuer thereof shall no longer be obliged to pay the same amounts on the same days as contemplated in the terms and conditions on the date of issue of the Notes of such Series in circumstances where this results or would result in the Issuer being unable to pay amounts of interest or principal when due on the Notes of such Series; or
- (F) if a Tax Event (as defined below) occurs in relation to such Series and the Tax Materiality Condition (as defined below) is satisfied; or
- (G) in accordance with such mandatory redemption provisions as may be specified in the Special Conditions applicable to a Series of Notes (which may amend or supplement (A), (B), (C), (D), (E) or (F) above),

on first becoming aware of the occurrence of any such Mandatory Redemption Event, the Issuer or the relevant Counterparty shall give notice thereof to the Issuer (if the Counterparty), the relevant Counterparty (if the Issuer), any Custodian and the Trustee. Any Custodian shall thereafter, acting as the agent of the Issuer, and subject to the relevant provisions of the Trust Deed and any Custody Agreement in relation to a Mandatory Redemption Event under Condition 7(b)(i) (C) to (F) (inclusive) or any other Mandatory Redemption Event specified in the Applicable Supplement, proceed to arrange for and administer the sale of the Repackaging Assets or Related Assets and the termination of each Related Agreement (or, if Condition 7(b)(i) (D) applies and the Related Agreement is terminated in part only, a proportion thereof) relating to such Series on behalf of the Issuer in accordance with the relevant Applicable Supplement.

Upon receipt of the redemption proceeds in relation to a Mandatory Redemption Event under Condition 7(b)(i) (A) above, or receipt of the Reference Assets or any redemption amount payable on satisfaction of the Credit Event Conditions in relation to a Mandatory Redemption Event under Condition 7(b)(i) (B) or upon receipt of the sale proceeds in relation to a Mandatory Redemption Event under Condition 7(b)(i) (C) to (G) (inclusive) (such proceeds or amounts being the “**Available Redemption Monies**”) the Issuer shall give not more than 30 nor less than 15 days’ notice (or such other number of days as may be provided in the relevant Applicable Supplement or agreed by the Trustee) to the Secured Creditors (which notice shall be irrevocable) of the date on which the net Available Redemption Monies (having deducted all costs, expenses and disbursements in connection with such sale, redemption or termination, including but not limited to the Trustee’s expenses, following a credit event) shall be applied, or of the date on which any Reference Assets (as described in the Applicable Supplement) will be delivered, in accordance with the application of proceeds specified in the Supplemental Trust Deed, and as described in the Applicable Supplement, in respect of such Series.

Following application of such net Available Redemption Monies or, as the case may be, delivery of any Reference Assets, no further amounts or assets will be available to meet any remaining claims of the Secured Creditors and any such claims will be extinguished.

(ii) *Redemption of Notes*

Upon expiry of the relevant notice under Condition 7(b)(i) above, and subject to the conditions of such notice, the Issuer shall redeem each Note in whole or, as the case may be, in part on a *pro rata* basis by the application of the net Available Redemption Monies referred to in Condition 7(b)(i) in accordance with the application of proceeds specified in the Supplemental Trust Deed and as described in the Applicable Supplement and/or by the delivery of the Reference Assets. The provisions of Clause 7 of the Principal Trust Deed shall apply in respect of such redemption of Notes.

The date on which the Available Redemption Monies or the delivery of any Reference Assets shall be applied in redemption of the Notes in accordance with the above paragraph of this Condition 7(b)(ii) shall be at any time in accordance with the notice provisions contained in the relevant Condition and any relevant provisions in the Applicable Supplement.

(iii) *Definitions*

For the purposes of this Condition 7(b):

a “**Tax Event**” in relation to an Issuer means that (i) such Issuer suffers or will suffer tax in respect of its income or any sums payable to it under or in respect of any Related Agreements, Repackaging Assets or Related Assets such that the Issuer would be rendered unable to make payment in full of all amounts otherwise payable by it under the relevant Notes, Coupons, Receipts and any relevant Related Agreements, whether such tax arises by assessment, withholding or deduction from sums payable to the Issuer (to the extent that no additional amounts are payable in respect thereof) or otherwise, and (ii) the Issuer has received an opinion (in form and substance satisfactory to the Trustee) from legal advisers of recognised standing, previously approved by the Trustee, in the relevant jurisdiction to the effect that the relevant Issuer has suffered or will suffer such tax; and

the “**Tax Materiality Condition**” will be satisfied if the tax which the Issuer has suffered or will suffer, and which has given rise to a Tax Event, exceeds €100,000 in respect of any 12 month period.

Whilst the Notes are represented by a Global Note, the relevant Global Note will be endorsed to reflect the principal amount of Notes to be so redeemed.

(c) *Purchase*

Unless a purchase option is specified as being inapplicable in the Applicable Supplement, the Issuer may, provided that no Event of Default or Mandatory Redemption Event has occurred and is continuing, purchase Notes (or any of them) (provided that all unmatured Receipts and Coupons and unexchanged Talons (if any) appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

The relevant Related Agreements will provide that on such purchase such Related Agreements (or a proportionate part thereof which corresponds to the Notes to be purchased) will terminate.

The Applicable Supplement will set out all the terms of such termination (which will reflect the terms of such Related Agreements). The Applicable Supplement will also set out the terms on which the Security over the relevant Charged Assets or part thereof may be released to provide funds for such purchase (which will reflect the terms of the relevant Supplemental Trust Deed). No interest will be payable in respect of a Note to be purchased pursuant to this Condition to the Holder from whom such Note is purchased in respect of the period from the Issue Date or, if later, the most recent date for the payment of interest on such Note, as the case may be, to the date of such purchase and thereafter.

If not all the Registered Notes are to be purchased, upon surrender of the existing Registered Notes the Registrar shall forthwith, upon the written request of the Noteholder concerned, issue a new Registered Note in respect of the Notes which are not to be purchased and despatch such Registered Note to the Noteholder (at the risk of the Noteholder and to such address as the Noteholder may specify in such request).

Whilst the Notes are represented by a Global Note, the relevant Global Note will be endorsed to reflect the principal amount of Notes to be so purchased.

(d) *Early Redemption of Zero Coupon Notes*

(i) The amount payable in respect of any Note which does not bear interest prior to the Scheduled Maturity Date, the Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 7(b) or, if applicable, Conditions 7(f) and (g) or (h) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note. References in the Conditions to “**principal**” or “**Principal Amount**” in the case of Zero Coupon Notes shall be deemed to include references to “**Amortised Face Amount**” where the context permits.

(ii) Subject to the provisions of (iii) below and as provided in the Applicable Supplement, the Amortised Face Amount of any Zero Coupon Note shall be the scheduled Redemption Amount of such Note on the Scheduled Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield shown on the face of the Note compounded annually. Where such calculation is to be made for a period of less

than one year, it shall be made on the basis of the Day Count Fraction shown on the face of such Zero Coupon Note or specified in the Applicable Supplement.

- (iii) If the amount payable in respect of any such Note upon its redemption pursuant to Condition 7(b) or, if applicable, Conditions 7(f), (g) or (h) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 7(d)(i), except that such Condition shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the date (the “**Relevant Date**”) which is the earlier of:
- (A) the date on which all amounts due in respect of the Note have been paid; or
 - (B) the date on which the full amount of the moneys payable has been received by the Trustee or the Principal Paying Agent, in the case of Bearer Notes, or the VP Agent, in the case of Dematerialised Notes, or the Registrar, in the case of Registered Notes, and notice to that effect has been given to Holders in accordance with the provisions of Condition 15 (being not later than seven days after the day on which the whole of such amount payable, together with an amount equal to the interest which has accrued and is to accrue up to and including that date, has been received by the Trustee or the Principal Paying Agent).

The calculation of the Amortised Face Amount will continue to be made (as well after as before judgment) until the Relevant Date unless the Relevant Date falls on or after the Scheduled Maturity Date, in which case the amount due and payable shall be the principal amount of such Note together with any interest which may accrue in accordance with Condition 6.

(e) *Redemption of Variable Redemption Amount Notes*

The Applicable Supplement in respect of a Series of Variable Redemption Amount Notes shall specify the basis for calculation of the Redemption Amount payable upon redemption of the relevant Notes on maturity or under Condition 7(b) or, if applicable, Conditions 7(g) or (h) or upon them becoming due and payable as provided in Condition 10 and the name of the Calculation Agent appointed to determine such Redemption Amount.

(f) *Redemption at Issuer’s Option and Exercise of Issuer’s Option*

If so specified in the Applicable Supplement, the Issuer may, subject to compliance with all relevant laws, regulations and directives, on giving irrevocable notice to the Noteholders falling within the Issuer’s Redemption Option Period (as specified in the Applicable Supplement), redeem or exercise any Issuer’s option in relation to all or, if so provided, some only of the Notes in the manner and on the date or dates specified in the Applicable Supplement at their Redemption Amount or at their Amortised Face Amount (in the case of Zero Coupon Notes), together with interest (if any) accrued to, or any Interest Amount payable on, the date fixed for redemption.

Notice given by the Issuer to redeem Note(s) pursuant to this Condition may not be withdrawn (save with the prior written consent of the Trustee) and the Issuer shall be bound to redeem the Note(s) in accordance with the notice, this Condition and the Applicable Supplement. Unless specified otherwise below or in the Applicable Supplement, notice of a redemption in accordance with this Condition 7(f) will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for such redemption.

In the case of a partial redemption of Notes or a partial exercise of an Issuer’s option:

- (A) when the Notes are in definitive form or are represented by Registered Note Certificates, the Notes to be redeemed will be selected in the manner indicated in such Applicable Supplement and notice of the Notes called for redemption will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for such redemption;
- (B) when the Notes are Dematerialised Notes, the Notes that are to be redeemed or subject to the option will be selected by the standard procedures of the VP, which will notify the affected Noteholders; and
- (C) when the Notes are represented in global form, if a partial redemption is to be effected by selection of whole Notes as indicated in the Applicable Supplement, the Notes to be

redeemed will be selected in accordance with the rules and procedures of Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) and/or (as the case may be) Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) and/or any other relevant clearing system.

The Applicable Supplement will specify the terms on which the Security over the relevant Charged Assets or part thereof may be released to provide funds for such redemption or for the exercise of the Issuer’s option.

The relevant Related Agreements will provide that on the redemption of Notes by the Issuer and/or the exercise of the Issuer’s option in relation to the Notes such Related Agreements (or a proportionate part thereof which corresponds to the Notes to be redeemed by the Issuer pursuant to the exercise of such option) will terminate. The Applicable Supplement will set out the terms of such termination.

(g) *Redemption at the Noteholder’s Option and Exercise of Noteholders’ Options*

If so specified in the Applicable Supplement the Issuer shall, subject to compliance with all relevant laws, regulations and directives, at the option of the Holder of any such Note, redeem such Note on the date or dates specified in the Applicable Supplement at its Redemption Amount or at its Amortised Face Amount (in the case of Zero Coupon Notes), together with interest accrued to, or the Interest Amount payable on, the date fixed for redemption (a “**Noteholder’s Option**”).

To exercise such Noteholder’s Option, the Holder must deposit the relevant Note (together with all unmatured Coupons, Receipts and Talons) with any Paying Agent (including without limitation the Copenhagen Paying Agent) (in the case of Bearer Notes) or, as the case may be, the relevant Registered Note Certificate with the Registrar (in the case of Registered Notes) at their respective specified offices or notify the VP Agent (in the case of Dematerialised Notes) at its specified office, together with a duly completed exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent (in the case of Bearer Notes) or from the Registrar (in the case of Registered Notes) or, in the case of Dematerialised Notes, from the VP Agent not more than 30 days nor less than 10 days (or in either case such other number of days as may be specified in the relevant Applicable Supplement) prior to the relevant date for redemption following the exercise of any option. In the case of Dematerialised Notes, the Holder shall give the VP Agent such instructions as may be necessary to give effect to the exercise of such option.

The Applicable Supplement will specify the terms on which the Security over the relevant Charged Assets or part thereof may be released to provide funds for such redemption following the exercise of the Noteholder’s Option.

The relevant Related Agreements will provide that on the redemption of Notes by the Issuer pursuant to the Noteholder’s exercise of the Noteholder’s Option such Related Agreements (or a proportionate part thereof which corresponds to the Notes to be redeemed by the Issuer pursuant to the exercise of such option) will terminate. The Applicable Supplement will set out the terms of such termination.

In the case of any Note represented by a Global Note, the Noteholder must deliver the Exercise Notice together with an authority to Euroclear or, as the case may be, Clearstream, Luxembourg or any other relevant clearing system to debit such Noteholder’s account accordingly. No Note (or authority) so deposited may be withdrawn (except as provided in the Applicable Supplement) without the prior consent of the Issuer.

(h) *Redemption by Instalments*

Unless previously redeemed, purchased and cancelled as provided in this Condition 7, each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding Principal Amount of such Note shall be reduced by the Instalment Amount for all purposes and the notional amount(s) of principal under any Related Agreement upon which payments under the Series of Notes of which such Note forms part are calculated shall be reduced in a proportion equal to the proportion which the Instalment Amount bears to the original notional amount(s) of such Related Agreement.

(i) *Cancellation*

All Notes (whether Registered Notes or Bearer Notes) purchased by or on behalf of the Issuer, may be held, resold or surrendered to or to the order of the Principal Paying Agent (in respect of

such Bearer Notes) or the Registrar (in respect of the Registered Notes Certificates of such Registered Notes) for cancellation and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together, in the case of Bearer Notes, with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Dematerialised Notes to be cancelled shall be cancelled by causing them to be deleted from the records of the VP. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(j) *Exchange of Notes for Charged Assets*

If Optional Exchange is specified in the Applicable Supplement, a Noteholder may request the Issuer to exchange any Note held by it for a corresponding principal amount of the Charged Assets upon terms that will be more fully set out in the Applicable Supplement.

(k) *Exchange of Series*

If specified in the Applicable Supplement and subject to the Special Conditions specified in such Applicable Supplement, the Issuer may from time to time with the consent of the relevant Counterparties under the Related Agreements (if any) with respect to such Series substitute a new Series of Notes for that existing Series of Notes as it may deem appropriate.

8. Payments

(a) *Bearer Notes*

Payments of principal (or, as the case may be, any Redemption Amount or other amounts payable on redemption) and interest (or, as the case may be, Interest Amounts) in respect of Bearer Notes (other than Dual Currency Notes) will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payment of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 8(g)(v)) or Coupons (in the case of interest, save as specified in Condition 8(g)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by cheque payable in the currency in which such payment is due drawn on, or at the option of the Holders upon application to the specified office of the Paying Agent at least 10 calendar days before the relevant Record Date by transfer to, an account denominated in that currency with a bank in (a) the principal financial centre of the country of the currency concerned if that currency is not euro, or (b) the principal financial centre of any Member State of the European Union if that currency is euro and (c) if such currency is Sterling a branch of a bank in the City of London.

(b) *Registered Notes*

Payments of principal (or, as the case may be, Redemption Amounts) in respect of Registered Notes (other than Dual Currency Notes) will be made against presentation and surrender of the relevant Registered Note Certificate at the specified office of the Registrar and in the manner provided in Condition 8(a).

Payments of instalments in respect of Registered Notes will be made against presentation and (in the case of the final instalment) surrender of the relevant Registered Note Certificate at the specified office of the Registrar in the manner provided in Condition 8 (a) above and annotation of such payment on the Register and the relevant Registered Note Certificate.

Interest (or, as the case may be, Interest Amounts) on Registered Notes payable on any Interest Payment Date will be paid to the persons shown on the Register on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payment of interest or Interest Amounts on each Registered Note will be made in the currency in which such payment is due by cheque drawn on a bank in (a) the principal financial centre of the country of the currency concerned, if such currency is not euro, or (b) the principal financial centre of any Member State of the European Union if that currency is euro or (c) if such currency is Sterling, a branch of a bank in the City of London and posted to the relevant Noteholder (or to the first named of joint Noteholders) at its address appearing in the Register. Upon application by the Noteholder to the specified office of the Registrar at least 10 calendar days before the relevant Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in (a) the principal financial centre of the country of that currency if such currency is not euro, or (b) the principal financial centre of any Member State of the European Union if that currency is euro or (c) if such currency is Sterling a branch of a bank in the City of London.

(c) *Dematerialised Notes*

Payments in respect of Dematerialised Notes and notification thereof to Noteholders will be effected through and in accordance with and subject to the rules and regulations from time to time governing the VP. Irrevocable authorisation given to the VP to withdraw, from one or more accounts designated for such purpose by the VP Agent, the amounts due in respect of the Notes and the withdrawal by the VP of the same shall, upon such withdrawal, constitute good discharge to the Issuer in respect of the obligation to make payments under the Notes. Payment by the Trustee to the VP through the VP Agent of monies to be distributed by the VP shall constitute good discharge to the Issuer and the Trustee in respect of any monies distributable by it to the Noteholders, subject to the rules and regulations of the VP. Noteholders shall have no direct claim against the Issuer or the Trustee for such payments.

(d) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if:

- (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due;
- (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts; and
- (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer and the Trustee, adverse tax consequences to the Issuer.

(e) *Payments subject to fiscal laws; payments on Global Notes and Registered Notes*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Holders in respect of such payments.

Payments of principal (or Redemption Amounts) and interest (or Interest Amounts) in respect of the Bearer Notes when represented by a Permanent Global Note will be made against presentation and surrender or, as the case may be, presentation of the Permanent Global Note at the specified office of the Principal Paying Agent, subject in all cases to any fiscal or other laws, regulations and directives applicable in the place of payment to the Issuer, the Principal Paying Agent or the bearer of the Permanent Global Note. A record of each payment so made will be endorsed on the schedule to the Permanent Global Note by or on behalf of the Principal Paying Agent which endorsement shall be *prima facie* evidence that such payment has been made.

The Holder of a Permanent Global Note or Registered Note shall be the only person entitled to receive payments of principal (or Redemption Amounts) and interest (or Interest Amounts) on the Permanent Global Note or the Registered Note (as the case may be) and the Issuer will be discharged by payment to, or to the order of, the Holder of such Permanent Global Note or such Registered Note in respect of each amount paid.

(f) *Appointment of the Agents*

The Paying Agents, the VP Agent, the Issue Agent, the Determination Agent, the Calculation Agent, any Custodian and the Registrar (the "**Agents**") appointed by the Issuer and their respective specified offices are listed below or as otherwise appointed pursuant to the Agency Agreement, the VP Agency Agreement, a Calculation Agency Agreement, a Determination Agency Agreement or a Custody Agreement or a Custodial Undertaking as the case may be, and with specified offices as set out in the Applicable Supplement. The Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents, provided that the Issuer will at all times maintain (i) a Principal Paying Agent, (ii) a Calculation Agent (where the Conditions so require one) and (iii) a Paying Agent having a specified office in a European city which, so long as the Notes are admitted to listing on the Copenhagen Stock Exchange, shall be Copenhagen and (while any Series of Registered Notes remain outstanding) a Registrar and (while any Dematerialised Notes are outstanding) a VP Agent. If and when the Council of the European Union Directive on the taxation of savings income is implemented, there will (if possible) at all times thereafter be a Paying Agent

in a Member State of the European Union other than the United Kingdom that will not be obliged to withhold or deduct tax pursuant to the Directive.

(g) *Unmatured Coupons and Receipts and unexchanged Talons*

- (i) Subject to the provisions of the Applicable Supplement, upon the due date for redemption of any Note which is a Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (ii) Upon the date for redemption of any Note which is a Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iii) Upon the due date for redemption of any Note which is a Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iv) Where any Note which is a Bearer Note is presented for redemption without all unexpired Coupons and any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest or an Interest Amount, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, or, in the case of a Variable Coupon Amount Note, the Interest Amount payable on such date for redemption shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Scheduled Maturity Date shall be payable on redemption of such Note against presentation thereof.

(h) *Non-Business Days*

Subject as provided in the Applicable Supplement, if any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks are open for presentation and payment of debt securities and for dealings in foreign currencies in London and Copenhagen and in the relevant place of presentation and in the cities referred to in the definition of Business Days set out in the Applicable Supplement or on the face of the Note and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which dealings may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) a day on which the TARGET system is operating.

(i) *Dual Currency Notes*

The Applicable Supplement in respect of each Series of Dual Currency Notes shall specify the currency in which each payment in respect of the relevant Notes shall be made, the terms relating to any option relating to the currency in which any payment is to be made and the basis for calculating the amount of any relevant payment and the manner of payment thereof.

(j) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a coupon sheet issued in respect of any Note, the Talon forming part of such coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further coupon sheet (and if necessary another Talon for a further coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 12).

9. Taxation

- (a) All payments in respect of the Notes, Receipts or Coupons will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever

nature unless the Issuer, any Paying Agent, the VP Agent or the Registrar or, where applicable, the Trustee is required by applicable law or practice to make any payment in respect of the Notes, Receipts or Coupons subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer, such Paying Agent, the VP Agent, the Registrar or the Trustee (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. None of the Issuer, nor any Paying Agent, nor the VP Agent, nor the Registrar nor the Trustee will be obliged to make any additional payments in respect of such withholding or deduction. The Issuer, any Paying Agent, the VP Agent, the Registrar or the Trustee may require the Holders to provide such certifications and other documents as may be required by applicable law or practice in order to qualify for exemptions from applicable tax laws.

- (b) Unless otherwise specified in the Applicable Supplement, if the Issuer reasonably believes that it will otherwise be obliged to withhold or deduct any amount for, or on account of, tax from the next payment of principal or interest in respect of the Notes, the Issuer will, provided that no adverse taxation consequences would ensue, use all reasonable endeavours to procure:
- (i) that a company incorporated in another jurisdiction in which the relevant obligation of the Issuer to withhold or deduct an amount for or on account of tax does not apply, and which is approved in writing by the Trustee (but, if any Notes are rated by a Rating Agency or Rating Agencies, subject to the prior receipt by the Issuer and the Trustee of written confirmation from such Rating Agency or Rating Agencies that the credit rating of such Notes will not be adversely affected), is substituted as the principal obligor in respect of the relevant Notes; or
 - (ii) that a branch office of the Issuer is established in another jurisdiction in which the relevant obligation of the Issuer to withhold or deduct an amount for or on account of tax does not apply, approved in writing by the Trustee, from which the Issuer will continue to make any payments due under the relevant Notes, Coupons, Receipts and/or any relevant Related Agreements.

10. Events of Default

- (a) Subject to Condition 10(c), the Trustee at its discretion may, and, if so requested by the Instructing Creditor of a Series, shall (in each case, provided that the Trustee is secured and/or indemnified to its satisfaction), give notice (an “**Enforcement Notice**”) to the Issuer that the Notes of such Series are, and they shall accordingly immediately become, due and repayable, at their Redemption Amount together with accrued interest to the date of payment (or, in the case of Zero Coupon Notes (unless the Conditions of such Notes provide otherwise) at their Amortised Face Amount) or as otherwise specified in the Applicable Supplement and the Security constituted by the Security Documents shall become enforceable (as provided in the Trust Deed) upon the occurrence of any of the following events (each an “**Event of Default**”):
- (i) if default is made for a period of 14 days or more in the case of interest or 7 days or more in the case of principal in the payment of any sum due in respect of such Notes or any of them; or
 - (ii) if the Issuer of such Series fails to perform or observe any of its other obligations under the Notes of such Series or the Trust Deed or the Transaction Documents and, where the Trustee considers, in its absolute discretion, that such default can be remedied, such failure continues for a period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
 - (iii) if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer or an order is made for the Issuer’s bankruptcy (or any analogous proceedings) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms approved by the Trustee; or
 - (iv) if (a) any other proceedings are initiated against the Issuer under any applicable liquidation, bankruptcy, insolvency, composition, reorganisation, readjustment or other similar laws (but excluding the presentation of any application for an administration order) and such proceedings are not being disputed in good faith, or (b) an administrative receiver or other receiver, administrator or other similar official is appointed in relation to the Issuer or in relation to the whole or any substantial part (in

the opinion of the Trustee) of the undertaking or assets of the Issuer or (c) an encumbrancer shall take possession of the whole or any substantial part (in the opinion of the Trustee) of the undertaking or assets of the Issuer or (d) a distress or execution or other process shall be levied or enforced upon or sued out against the whole or any substantial part (in the opinion of the Trustee) of the undertaking or assets of the Issuer (other than, in any such case, by the Trustee or any receiver or manager appointed by the Trustee or pursuant to any of the Transaction Documents) and in any of the foregoing cases (other than in relation to the circumstances described in (b) where no grace period shall apply) such proceedings, possession or process (as the case may be) is not discharged or stayed or does not cease to apply within 30 days; or

- (v) if the Issuer initiates or consents to judicial proceedings relating to itself (except in accordance with paragraph (iii) above) under any applicable liquidation, bankruptcy, insolvency, composition, reorganisation, readjustment or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally; or
- (vi) if the Issuer becomes insolvent or is adjudicated or found bankrupt.

(b) *Confirmation of no Event of Default*

The Issuer shall provide written confirmation to the Trustee, on an annual basis, that no Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.

(c) *Enforcement*

In the event of the Security constituted by the Security Documents becoming enforceable following an acceleration of the Notes of a particular Series as provided in this Condition 10, the Trustee shall, but in each case without any liability as to the consequence of such action and without having regard to the effect of such action on, or being required to account for such action to, the other Secured Creditors in relation to such Series, have the right to enforce the rights of the Secured Creditors under the Security Documents, in relation to the relevant Charged Assets in relation to such Series only, provided that the Trustee shall not be required to take any action that would involve the Trustee in any personal liability or expense unless previously indemnified and/or secured to its satisfaction.

The provisions of the Trust Deed are expressed to apply separately to each Series. Accordingly, the occurrence of an Event of Default under one Series does not per se constitute an Event of Default under any other Series.

The Events of Default may be varied or amended in respect of any Series of Notes as set out in the Applicable Supplement.

11. Limited Recourse Enforcement

- (a) If the amounts realised from the Charged Assets in respect of any Series (including, without limitation, a realisation of the Security or a sale or redemption of the Charged Assets and termination of any Related Agreement in accordance with these Conditions) are not sufficient (after meeting the Trustee's, the Agents', the Registrar's, any Custodian's and any receiver's expenses, liabilities and remuneration, any amounts to satisfy an indemnity claim and any other amounts that rank in priority to the Notes of such Series as specified in the Supplemental Trust Deed and/or identified in the Applicable Supplement) to make payment of all amounts due in respect of the Notes of such Series and all other Secured Obligations (as defined in the Supplemental Trust Deed) with respect to that Series including, without limitation, any amount due to the Counterparty as a result of the termination of any Related Agreement, no other assets of the Issuer will be available to meet that shortfall. In particular, but without prejudice to the generality of the foregoing, no assets of any other cell of the Issuer other than the cell specified in the Applicable Supplement in relation to the relevant Series established as a segregated cell in accordance with the Guernsey Protected Cell Companies Ordinance, 1997 to 1998 (as amended) will be available to meet that shortfall. Any such shortfall shall be borne in the manner described in the Applicable Supplement and/or specified in the Supplemental Trust Deed. Any claim of the Holders of the relevant Series remaining after such application shall be extinguished and such Holders will have no further recourse to the Issuer and any failure to make any payment in respect of such shortfall shall in no circumstances constitute an Event of Default under Condition 10.
- (b) Only the Trustee may pursue the remedies available under the Trust Deed, the Conditions and the Transaction Documents and enforce the rights of the Secured Creditors in relation to the Charged Assets of the relevant Series. No Secured Creditor of such Series other than the

Instructing Creditor is entitled to proceed directly against the Issuer or the property or any assets of the Issuer (until the claims of the Instructing Creditor have been satisfied in full). The Instructing Creditor shall only be so entitled if the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed or the Security Documents, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. However, the Trustee shall not be bound to take any action to enforce the security or pursue the remedies available under the Trust Deed, the Conditions or any of the Transaction Documents unless it is indemnified and/or secured to its satisfaction and has, if so required by the Conditions, been requested in writing to do so by the Instructing Creditor in respect of the relevant Series.

- (c) After realisation of the Security in respect of the Notes of such Series which has become enforceable and distribution of the net proceeds thereof in accordance with Condition 4, neither the Trustee nor any other Secured Creditor in respect of such Series (if any) may take any further steps against the Issuer or any of its assets to recover any sums due but unpaid in respect of the Notes or otherwise and the relevant Related Agreements will provide that the relevant Counterparty may not take any further steps against the Issuer or any of its assets to recover any sums due to it but unpaid in respect of the relevant Related Agreement in respect of the Notes of such Series and all claims and all rights to claim against the Issuer in respect of each such sum unpaid shall be extinguished.
- (d) No Secured Creditor, nor the Trustee on its behalf, may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding (except, in respect of the Trustee, for the appointment of a receiver and manager pursuant to the terms of the Trust Deed) or other proceeding under any similar law nor shall any of them have any claim in respect of such sum over or in respect of any of the property or any assets of the Issuer other than those which are included in the Security for such Series. The Holders and the other Secured Creditors (if any) accept and agree, and in the relevant Related Agreements the Counterparties will accept and agree, that the only remedy of the Trustee against the Issuer of any Series after any of the Notes of that Series have become due and payable pursuant to Condition 10 is to enforce the Security for the Notes for the relevant Series created by the charges pursuant to the provisions of the Trust Deed or any other Security Document executed in relation to that Series.

The net proceeds of enforcement of the Security and/or realisation of the Charged Assets for the relevant Series may be insufficient to pay all amounts due to the Secured Creditors in respect of such Series in which event claims in respect of all such amounts will be extinguished.

12. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts or Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7(d)) in respect thereof.

13. Replacement of Notes, Coupons, Receipts and Talons

If any Bearer Note, Registered Note Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and any relevant stock exchange requirements, at the specified office of the Issue Agent (or, in the case of Registered Note Certificates, the specified office of the Registrar) in Copenhagen upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

14. Meetings of Noteholders, Modification, Waiver, Authorisation, Substitution and Entitlement of the Trustee

(a) *Meetings of Noteholders, Modifications and Waiver*

The Principal Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider matters affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than one quarter of the Principal Amount of the Notes of the relevant Series for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Noteholders of the relevant Series, whatever the Principal Amount of the Notes so held or

represented, except that, *inter alia*, the terms of the security and certain terms concerning the amount and currency and the postponement of the due dates of payment of the Notes and the Coupons or Receipts (if any) may be modified only by resolutions passed at a meeting the quorum at which shall be two or more persons holding or representing three quarters or, at any adjourned such meeting, not less than one quarter, in Principal Amount of the Notes of the relevant Series for the time being outstanding. In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. A resolution or an Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders of the relevant Series, whether or not they were present at such meeting, and on Couponholders (if any) and Receiptholders (if any). The Trustee may, without consulting the Secured Creditors (including the Holders), determine that an event which would otherwise be an Event of Default shall not be so treated but only if and in so far as in its opinion the interests of Noteholders of that Series shall not be materially prejudiced thereby.

The Holder of a Global Note will be treated as being two persons for the purposes of any quorum requirement of a meeting of Noteholders.

The Trustee may agree, with the prior written confirmation from any Rating Agency or Rating Agencies which have assigned a credit rating to the relevant Series or any Notes comprised therein that such rating will not be adversely affected (if such Notes are rated) but without the consent of the Secured Creditors of any Series, to:

- (i) any modification of any of the provisions of the Trust Deed or the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error; and
- (ii) any other modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or the Transaction Documents which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Secured Creditors of that Series.

Any such modification, authorisation or waiver shall be binding on the Secured Creditors of that Series and, unless the Trustee agrees otherwise with the Issuer, such modification shall be notified by the Issuer to the Secured Creditors of that Series as soon as practicable thereafter.

(b) *Authorisation*

The Issuer will not, except as specified in the Applicable Supplement, exercise any rights in its capacity as a holder of, or person beneficially entitled to or participating in the Charged Assets, unless directed in writing to do so by the Trustee. In particular, the Issuer will not attend or vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Charged Assets or give any consent, waiver, indulgence, time or notification or make any declaration in relation to such Charged Assets unless it shall have been so directed by the Trustee in writing. If such direction is given, the Issuer will act only in accordance with such directions. The Trustee may vote at any meeting of Noteholders but is not obliged to do so, except if requested in writing to do so by the Instructing Creditor and if the Trustee does vote it will bear no liability for doing so.

(c) *Substitution*

- (i) The Principal Trust Deed contains provisions permitting the Trustee to agree without the consent of the Secured Creditors of any Series (but with the consent of any Custodian, such consent not to be unreasonably withheld), but, if any Notes are rated by a Rating Agency or Rating Agencies, subject to the prior receipt by the Issuer and the Trustee of written confirmation from such Rating Agency or Rating Agencies that the credit rating of such Notes will not be adversely affected, to the substitution in place of the Issuer as principal debtor under the Trust Deed and the Notes of any other company (incorporated in any jurisdiction).
- (ii) In connection with any proposed substitution or change of jurisdiction of the Issuer, the Trustee may without the consent of the Secured Creditors of any Series, but if any Notes are rated by a Rating Agency or Rating Agencies subject to the prior receipt by the Issuer and the Trustee of written confirmation from such Rating Agency or Rating Agencies that the credit rating of such Notes will not be adversely affected, agree to a change of the law governing the Principal Trust Deed, the Supplemental Trust Deed, any other Security

Document, the Notes, the Receipts, the Coupons or the Talons (if any) provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the relevant Noteholders or the Counterparties in respect of such Series.

(d) *Entitlement of the Trustee*

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) the Trustee shall not have regard to the consequences of such exercise for any individual Secured Creditors, or for holders of any other notes or bonds, resulting from their being for any purpose domiciled or resident in, or otherwise connected with or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Secured Creditor be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Secured Creditors.

15. Notices

Notices to Holders of Registered Notes will be posted to them at their respective addresses in the Register and shall be deemed to have been given on the fourth day (being a day other than a Saturday or Sunday on which banks in Copenhagen and/or such other cities as set out in the Applicable Supplement are open for business) after the date of posting. Other notices to Noteholders will be valid if published in a leading daily newspaper published in the country of the relevant stock exchange on which such Notes are listed. If the Notes are listed on the Copenhagen Stock Exchange and the rules of that exchange so require, notices will be published in a leading newspaper having general circulation in Copenhagen which is expected to be *Børsen* and, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe (which is expected to be the *Financial Times*). Any such notice (other than to Holders of Registered Notes as specified above) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders and Receiptholders will be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes in accordance with this Condition 15.

A copy of all notices provided pursuant to this Condition 15 shall also be given to Euroclear, Clearstream, Luxembourg and any other relevant clearing system and, in the case of Notes listed on the Copenhagen Stock Exchange, such stock exchange.

So long as any Notes are represented by Global Notes, notices in respect of those Notes may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg (or any other relevant clearing system) for communication by them to entitled accountholders in substitution for publication in a daily newspaper with general circulation in London or Copenhagen or Europe, as applicable, unless otherwise required by the rules of the Copenhagen Stock Exchange or any other stock exchange in relation to Notes listed or admitted to trading on such stock exchange.

The Trustee may approve of some other method of giving notice to the Noteholders if, in its sole opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any stock exchange on which Notes are then listed or admitted to trading and provided that notice of that other method is given to the Noteholders by the Issuer in the manner required by the Trustee.

16. Trustee and indemnification

(a) *Trustee*

- (i) In connection with the exercise of its powers, trusts, authorities and discretions under these Conditions and the Trust Deed (including, but not limited to, those in relation to any proposed modification, waiver or authorisation), the Trustee will, subject to Condition 16(a)(ii), have regard to the interests of the Noteholders as a Class and will not be responsible for any consequence for individual Holders of Notes, Receipts, Coupons or Talons as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.
- (ii) If the Trustee is required to consider the interests of the Noteholders and if the Trustee, in its sole opinion and exercising its absolute discretion, considers there to be a conflict between the interests of Noteholders of different Classes, the Trustee will consider only the interests of the Holders of the most senior Class of Notes and, if no Class of Notes is

the most senior, the interests of the Class of Notes with the earliest Scheduled Maturity Date and will have no liability to the Noteholders of any other Class or any other person in relation thereto for so doing.

- (iii) The Trustee or any of its affiliates is entitled to enter into business transactions with the Issuer, any issuer or guarantor of (or other obligor in respect of) any of the securities or other assets, rights and/or benefits comprising the Charged Assets or the Secured Creditors or any of their respective subsidiaries or associated companies without accounting to the Secured Creditors for any profit resulting therefrom. The Trustee is also permitted to act as Custodian or as a Counterparty and any rights or obligations which the Trustee has in either such capacity shall not be affected or limited by the fact that it is also acting as trustee in relation to the Notes.

(b) *Indemnification*

The Trust Deed contains provisions for indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any actions including the giving of an Enforcement Notice and the taking of proceedings to enforce repayment unless indemnified and/or secured to its satisfaction.

The Trustee, in the absence of negligence, wilful default, breach of duty or breach of trust, shall not have any liability in respect of any loss or theft of any of the Charged Assets, shall not have any obligation to insure any of the Charged Assets and shall have no liability arising from the fact that the same will (if applicable) be held in safe custody by a Custodian. The Trustee does not have any responsibility for monitoring the actions of any Custodian and in particular the Trustee will incur no liability, vicarious or otherwise, for any actions or inactivity of any Custodian.

17. Economic and Monetary Union

This Condition 17 will only apply if the Charged Assets or Notes are denominated in a currency of a country which subsequently participates in Economic and Monetary Union pursuant to the Treaty on European Union (the “**Treaty**”).

If some or all of the Charged Assets or Notes are redenominated in euro, the Issuer may, with the agreement of the Trustee, without the consent of the Noteholders, elect that, with effect from such Interest Payment Date as may be specified in a notice in writing to the Noteholders from the Issuer (the “**Redenomination Date**”) falling on or after such date as the relevant country participates in Economic and Monetary Union pursuant to the Treaty, each of the Notes shall be deemed to be denominated in such amount of euro as is equivalent to its denomination in the relevant currency converted into euro at the relevant official rate of exchange established in accordance with the Treaty, subject to rounding adjustments. On or after the Redenomination Date (as agreed with the Trustee) all payments in respect of the Notes will be made solely in euro.

If some or all of the Charged Assets denominated in euro are subject to rounding adjustments the Issuer may, with the agreement of the Trustee, without the consent of the Noteholders, with effect from any Interest Payment Date under the Notes make such adjustment to the principal amount of the Notes as would, in the opinion of the Principal Paying Agent, be appropriate having regard to the cash flow relationship between the Charged Assets and the Notes.

References in these terms and conditions to any business day, day-count fraction or other convention (whether for the calculation of interest, determination of payment dates or otherwise) may be amended by the Issuer with the agreement of the Trustee, without the consent of the Noteholders, to comply with any conventions considered by the Principal Paying Agent to be appropriate in connection with the Notes, having regard to any changes made by some or all of the issuers of the Charged Assets in the conventions applicable to some or all of the Charged Assets, with effect from any Interest Payment Date following the date on which some or all of the issuers of the Charged Assets make a relevant change.

Any such redenomination, adjustment or reconventioning of the Notes shall be subject in all cases to compliance with all applicable requirements of relevant monetary, stock exchange or other authorities and all applicable European Community and national laws and regulations.

The Issuer will give at least 30 days’ prior notice in accordance with Condition 15 to the Noteholders of any redenomination pursuant to this Condition 17. Upon any adjustment or reconventioning made pursuant to this Condition 17, notice thereof will be given to Noteholders in accordance with Condition 15.

Modifications made as a result of any such redenomination, adjustment or reconventioning with the agreement of the Trustee shall be binding on the Issuer and the Noteholders.

The above provisions of this Condition 17 shall take effect notwithstanding the provisions of paragraph 6 of the Third Schedule to the Principal Trust Deed (as from time to time supplemented and amended).

18. Third Party Rights

No person shall have any right to enforce any term or condition of the Notes or the Trust Deed by virtue of the Contracts (Rights of Third Parties) Act 1999.

19. Governing Law

(a) *Governing Law*

The Principal Trust Deed, the Supplemental Trust Deed, any Custody Agreement or Custodial Undertaking, the Notes, the Coupons, the Receipts and the Talons (if any) and the Agency Agreement are governed by and shall be construed in accordance with English law. The VP Agreement and the VP Agency Agreement are governed by and shall be construed in accordance with Danish law. Any Supplementary Security Document will be governed by and construed in accordance with the law specified therein. In the case of Dematerialised Notes issued through the Danish Securities Centre, Danish law will apply to registration and transfer of such Notes.

(b) *Submission to jurisdiction*

The Issuer has, in the Principal Trust Deed, irrevocably agreed for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

(c) *Waiver*

The Issuer has, in the Principal Trust Deed, irrevocably waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

(d) *Process agent*

The Issuer has, in the Principal Trust Deed, agreed that the process by which any Proceedings in England are begun may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person and shall notify the Issuer of such person so appointed. Nothing contained herein shall affect the right of any Secured Creditor to serve process in any other manner permitted by law.

(e) *Non-exclusivity*

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Secured Creditors or any of them to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings against the Issuer in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Each Tranche of Notes in bearer form will initially be represented by a Temporary Global Note, in bearer form without Coupons, Talons or Receipts, which will be deposited on or about the issue date of the relevant Notes on behalf of the subscribers of the relevant Notes (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream, Luxembourg with a depository or common depository (the “**Common Depository**”) for Euroclear and for Clearstream, Luxembourg or (b) in the case of a Series intended to be cleared through a clearing system other than Euroclear or Clearstream, Luxembourg, as agreed between the Issuer, the Issue Agent and the Trustee. Whilst a Note is in global form, the Noteholder in relation thereto shall be the bearer of the relevant Global Note which shall be the Common Depository or other holder agreed upon as aforementioned. No interest will be payable in respect of a Temporary Global Note, except as provided below. Upon deposit of the Temporary Global Note(s) with the Common Depository, Euroclear, Clearstream, Luxembourg or any other clearing institution in any other clearing system will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg (and/or any other clearing system) as being entitled to an interest in a Global Note must look solely to Euroclear and/or Clearstream, Luxembourg (and/or any other clearing system) (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear and/or Clearstream, Luxembourg (and/or any other clearing system). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the relevant Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

The Temporary Global Notes and the Permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the Terms and Conditions of the Notes set out in this document. The following is a summary of the provisions relating to the Notes while in global form:-

Exchange of Temporary Global Notes

Each Temporary Global Note is exchangeable in whole or in part for interests in a Permanent Global Note on or after the date which is 40 days after the completion of the distribution of all of the Notes in the relevant Tranche (as determined and certified by the relevant Dealer or, in the case of a syndicated issue, the Lead Manager) of the relevant Series upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note.

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note at the specified office of the Principal Paying Agent within seven days of the bearer requesting such exchange.

Exchange of Permanent Global Notes

Each Permanent Global Note is exchangeable in whole but not in part for the corresponding Definitive Notes described below if:

- (a) any Note of the relevant Series becomes immediately redeemable following the occurrence of an Event of Default in relation thereto; or
- (b) Euroclear or Clearstream, Luxembourg (or any other relevant clearing system) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently without transferring its business to a successor entity or in fact does so; or
- (c) if so specified in the relevant Applicable Supplement, at the option of, and upon the request of, the Holder.

In the case of (a) and (b), the Issuer shall bear the cost and expense of the exchange and, in the case of (c), the Holder making such request shall bear the cost and expense of the exchange.

On or after any Exchange Date the bearer of a Permanent Global Note may surrender it to or to the order of the Principal Paying Agent in accordance with the terms of the Permanent Global Notes.

In exchange for a Permanent Global Note, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes corresponding thereto (having attached to them all Coupons and, where applicable, Receipts, in respect of principal and interest which has not already been paid on such Permanent Global Note and, where required, a Talon), printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Principal Trust Deed. On exchange in full of the Permanent Global Note, such Permanent Global Note will be cancelled.

“Exchange Date” means a day falling not less than 60 days after that 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 Principal Paying Agent is located and in the cities in which the relevant clearing system is located.

Payments

No payment falling due more than 40 days after the completion of the distribution of all of the Notes of the relevant Tranche (as determined and certified by the relevant Dealer or in the case of a syndicated issue, the Lead Manager) will be made on a Temporary Global Note unless exchange for an interest in a Permanent Global Note is improperly withheld or refused. Payments on any Temporary Global Note during the period up to 40 days after the completion of the distribution of all of the Notes of the relevant Tranche will only be made against presentation of certification of non-U.S. beneficial ownership in the form set out in the relevant Temporary Global Note. Payments of principal and interest in respect of Notes represented by a Permanent Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes represented thereby, surrender of such Permanent Global Note to, or to the order of, the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Permanent Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

Notices

So long as any of the Notes of any Series are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to those Holders whose Notes are represented by such Global Note may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions unless otherwise required by the rules of the Copenhagen Stock Exchange or any other stock exchange in relation to Notes listed on such stock exchange.

Prescription

Claims against the Issuer in respect of principal and interest on the Notes of any Series while such Notes are represented by a Global Note will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate due date.

Meetings

The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders whose Notes are represented thereby and, at any such meeting, as having one vote in respect of each principal amount of Notes equal to the minimum authorised denomination of the Notes for which such Global Note so held may be exchanged.

Purchase or Redemption and Cancellation

Cancellation of any Note required by the Conditions to be cancelled following its purchase or redemption will be effected by reduction in the principal amount of the relevant Global Note and the Notes to be purchased or redeemed shall not be selected as provided in the Conditions.

Trustee’s Powers

In considering the interests of the Holders, while any Global Note is held on behalf of a clearing system the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note and may consider such interests as if such accountholders were the holders of the relevant Global Note.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN DEMATERIALIZED FORM

Initial Issue of Notes

The issue of Dematerialised Notes will take place by registration through the VP and the debt will be acknowledged in the relevant Supplemental Trust Deed. On or before the issue of such Notes, the Issuer, the VP Agent and the VP will execute a VP Agreement and the Issuer and the VP Agent will execute a VP Agency Agreement. On delivery of such agreement to the VP and the relevant Applicable Supplement to the relevant stock exchange (if any), the Issuer shall cause the VP Agent to effect through the VP that the subscribing Noteholders' respective securities accounts with the VP be accordingly credited with the nominal amount of Dematerialised Notes for which they have subscribed and paid.

Dematerialised Notes may only be held by crediting them to a VP account registered in the VP in a Noteholder's name with such account being operated solely by and through the Noteholder's account controller acting in such capacity on behalf of the Noteholder. Settlement of sale and purchase transactions in respect of Notes in the VP will usually take place on a registration-against-payment basis three Copenhagen business days after the date of the relevant transaction. Transfer of interests in the relevant Notes will take place in accordance with the rules of the VP. Secondary market clearance and settlement through Euroclear is possible through depositary links established between the VP and Euroclear. Transfers of Notes held in the VP through Clearstream, Luxembourg are only possible via an account controller linked to the VP.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the register of the VP, as the holder of a Dematerialised Note represented by a book entry in the accounts of the VP, must look solely to the VP for his share of each payment made by the Issuer through the VP Agent to the VP and in relation to all other rights arising under the Dematerialised Notes subject to and in accordance with the respective rules and procedures of the VP. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are held through the VP and such obligations of the Issuer will be discharged by payment to the VP in respect of each amount so paid.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be used by the Issuer in the purchase of the Repackaging Assets and/or Related Assets specified in the Applicable Supplements and/or to make payments in respect of any Related Agreement specified in the relevant Applicable Supplement.

FORM OF PRICING SUPPLEMENT/SUPPLEMENTAL INFORMATION MEMORANDUM

Set out below is the form of Pricing Supplement/ Supplemental Information Memorandum which will be completed for each Tranche of Notes issued under the Programme

[Date]

[Issuer]

**Issue of [Nominal Amount of Tranche] [Title of Notes]
under the Structured Note Programme
established by MARE BALTIC PCC LIMITED**

This document constitutes the [Pricing Supplement / Supplemental Information Memorandum] relating to the issue of Notes described herein (the “Notes”) Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Information Memorandum dated 1 November 2004 [and the Information Addendum dated ●]. This [Pricing Supplement / Supplemental Information Memorandum] is supplemental to and must be read in conjunction with such Information Memorandum [and Information Memorandum Addendum] including without limitation the section entitled “Risk Factors” beginning on page 23 of the Information Memorandum. Terms and expressions defined in the Information Memorandum have the same respective meanings when used in this [Pricing Supplement / Supplemental Information Memorandum].

DESCRIPTION OF TRANSACTION

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs.]

1. Issuer(s): []
Cell of Issuer which is the debtor in relation to the Notes and is established as a segregated cell in accordance with the Guernsey Protected Cell Companies Ordinance, 1997 to 1998 (as amended): []
2. [(i)] Series Number: [A/B] []
[(ii)] Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Nominal Amount:
(i) Series: []
(ii) Tranche: []
5. Issue Price of Tranche: [] per cent.
6. Specified Denominations: []
(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)
7. [(i)] Issue Date: []
[(ii)] Interest Commencement Date (if different from the Issue Date): []
8. Scheduled Maturity Date: *[Fixed rate — specify date/
Floating rate — Interest Payment Date falling in
[specify month and year/specify other]]*

9. Interest Basis: [Fixed Rate]
[Floating Rate]
[Zero Coupon/Discount]
[Non-Interest Bearing]
[Index Linked Interest]
[Credit Linked Interest]
[Equity Linked Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Credit Linked Redemption]
[Equity Linked Redemption]
[Dual Currency]
[Partly-Paid]
[Instalment]
[specify other]
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Listing: [Copenhagen/London/Luxembourg/specify other/None]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/ semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year
- (iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
The amount of interest payable will be [adjusted/unadjusted]
- (iv) Business Day(s): []
- (v) Additional Business Centre(s): []
- (vi) Fixed Coupon Amount(s): [] per [] in Nominal Amount
- (vii) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*
- (viii) Day Count Fraction: [Actual/Actual (ISMA)
Actual/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
Other]

- (NB: If interest is not payable on a regular basis (for example, if there are Broken Amounts specified) Actual/Actual (ISMA) may not be a suitable Day Count Fraction)
- (ix) Determination Date(s): [] in each year *[insert usual interest payment dates, in alternative if more than one]*
- (NB: Only relevant to euro-denominated Notes where Day Count Fraction is Actual/Actual (ISMA))
- (x) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/Give details]
16. **Floating Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s)/Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*[specify other]*]
The amount of interest payable will be [adjusted/unadjusted]
- (iii) Business Day(s): []
- (iv) Additional Business Centre(s): []
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (vi) Screen Rate Determination:
- [(A) Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)]
- [(B) Interest Determination Date(s): []
(Second London Business Day prior to the start of each Interest Period if LIBOR other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)]
- [(C) Relevant Screen Page: []
(In the case of EURIBOR, if not Telerate Page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)]
- (vii) ISDA Determination:
- [(A) Floating Rate Option: []]
- [(B) Designated Maturity: []]
- [(C) Reset Date: []]
- (viii) Margin(s): [plus/minus] [] per cent. per annum
- (ix) Minimum Rate of Interest: [] per cent. per annum
- (x) Maximum Rate of Interest: [] per cent. per annum

- (xi) Day Count Fraction: [Actual/Actual (ISMA)
Actual/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
Other]
(See Condition 6 for alternatives)
- (xii) Determination Date(s): []
- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. **Zero Coupon/Discount Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Stated Yield: [] per cent. per annum
- (ii) Issue Price: []
- (iii) Any other formula/basis of determining amount payable: []
(Consider applicable Day Count Fraction if non U.S. dollar denominated)
- (iv) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (v) Business Day(s): []
- (vi) Additional Business Centre(s): []
- (vii) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7(d)(ii) and 7(d)(iii) apply/specify other]
18. **Non-Interest Bearing Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (ii) Business Day(s): []
- (iii) Additional Business Centre(s): []
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7(d)(ii) and (7)(d)(iii) apply/specify other]
19. **Index Linked Interest Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula: [give or annex details]
- (ii) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or []

- impracticable:
- (iii) Interest Period(s)/ Interest Payment Dates: []
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
The amount of interest payable will be [adjusted/unadjusted]
- (v) Business Day: []
- (vi) Additional Business Centre(s): []
- (vii) Minimum Rate of Interest: [] per cent. per annum
- (viii) Maximum Rate of Interest: [] per cent. per annum
- (ix) Day Count Fraction: []
- (x) Determination Date(s): []
- 20. Dual Currency Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: []
- (iii) Person at whose option Specified Currency(ies) is/are payable: []
- (iv) Business Day: []
- (v) Additional Business Centre(s): []
- PROVISIONS RELATING TO REDEMPTION**
21. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s) and Redemption Option Period: []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): []
- (iii) If redeemable in part:
- (1) Minimum Redemption Amount: []
- (2) Maximum Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []
22. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s) and Redemption Option Period: []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): []
- (iii) Notice period (if other than as set out in the Conditions): []
23. Final Redemption Amount of each Note: [Nominal Amount/*specify other*/see Appendix]
24. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(g)): []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes: [Dematerialised Notes]
[Bearer Notes:
Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event at the expense of the Issuer]].
[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
[Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event at the expense of the Issuer]].
[Registered Notes:
Regulation S Global Note ([] of the Nominal Amount)/Rule 144A Global Registered Note ([] of the Nominal Amount)]
26. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Partly-Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details. NB: new forms of Global Note may be required for Partly-Paid issues.*]
28. Details relating to Instalment Notes:
Instalment Amount: [Not Applicable/*give details*]
Instalment Date(s): [Not Applicable/*give details*]

29. Redenomination, renominatisation and reconventioning provisions: [Not applicable/ (if Redenomination etc. is applicable, specify the terms of Redenomination in an Annex to the [Pricing Supplement/Supplemental Information Memorandum])]
30. Special Conditions: [Not Applicable/give details]
31. Calculation Agent: []
32. Determination Agent: [Not Applicable/give details]
33. Instructing Creditor: [Counterparties/Noteholders/give details]

DISTRIBUTION

34. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilising Manager (if any): [Not Applicable/give name]
35. If non-syndicated, name of relevant Dealer: []
36. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
37. Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

38. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
39. Delivery: Delivery [against/free of] payment
40. Additional Paying Agent(s) (if any): []
41. Governing Law: [English Law]

ISIN: []
 Common Code: []

(insert here any other relevant codes such as CUSIP and CINS numbers)

SPECIFIC RISK FACTORS

[Here insert transaction – specific risk factors]

DESCRIPTION OF UNDERLYING ASSETS [AND SECURITY]

[Here describe all underlying assets including contractual assets and transaction documents distinguishing between Underlying Assets, Reference Assets, Related Assets (further distinguishing between Deposits, Repo Assets and Collateral Assets) and Repackaging Assets (using these terms as they are reflected in the Conditions), such description to be in accordance with the rules and regulations of the relevant Stock Exchange on which the Notes are listed. Full detail of the characteristics of underlying assets is needed for repackaging structures. If credit swap used cross-refer to section 3 below. If repo used define Repo Agreement here. Consider whether further detail of security arrangements is necessary.

CREDIT SWAP CONFIRMATION FOR SYNTHETIC ISSUES

A swap confirmation will be entered into with [specify Swap Counterparty or describe nature of permitted Swap Counterparties] (the “**Credit Swap Counterparty**”) on the following terms:

1. General Terms:

Trade Date:	[]
Effective Date:	[]
Scheduled Termination Date:	[]
Floating Rate Payer:	[] (the “Seller”)
Fixed Rate Payer:	[] (the “Buyer”)
Calculation Agent:	[]
Calculation Agent City:	[Copenhagen]
Business Day:	[Copenhagen/London]
Business Day Convention:	[Modified Following] [Preceding] [Following] [FRN Convention], (which shall apply to any date referred to in the Confirmation that falls on a day that is not a Business Day)
Reference Entity:	[]
Reference Pool:	[]
Reference Obligation(s):	
Primary Obligor:	[]
Guarantor:	[]
Maturity:	[]
Coupon:	[]
CUSIP/ISIN:	[]
Original Issue Amount:	[]
Reference Price:	[]

2. Fixed Payment:

Fixed Rate Payer Calculation Amount:	[]
Fixed Rate Payer End Date:	[Applicable/Not applicable]
Fixed Rate Payer Payment Date(s):	[]
Fixed Rate:	[]
Fixed Rate Day Count Fraction:	[Actual/Actual] [Actual/365(Fixed)] [Actual/360] [30/360] [30E/360]

3. Floating Payment:

Fixed Rate Payer Calculation Amount: []

Conditions to Payment: Credit Event Notice

Notifying Party: []

Notice of Intended Physical Settlement: [Applicable/Not applicable]

Notice of Publicly Available Information Applicable: [Applicable/Not applicable]

Public Source(s): Standard Public Sources

Specified Number: [Two]

4. Credit Events:

Bankruptcy:

Failure to Pay:

Grace Period Extension: [Applicable/Not Applicable]

Grace Period: [Applicable/Not Applicable]

Payment Requirement: Amount Or its equivalent in the relevant
Obligation Currency as of the
occurrence of the relevant Credit Event

Obligation Default:

Obligation Acceleration:

Repudiation/Moratorium:

Restructuring:

Default Requirement: Amount Or its equivalent in the relevant
Obligation Currency as of the occurrence
of the relevant Credit Event

Accrual of Interest upon Credit Event: [Applicable/Not Applicable]

5. Obligation(s):

Obligation Category: *(Select only one)*

Obligation Characteristics: *(Select all that apply)*

Payment:	<input type="checkbox"/>	Pari Passu Ranking:	<input type="checkbox"/>
Borrowed Money:	<input type="checkbox"/>	Specified Currency:	<input type="checkbox"/>
Reference Obligations Only:	<input type="checkbox"/>	Not Sovereign Lender:	<input type="checkbox"/>
Bond:	<input type="checkbox"/>	Not Domestic Currency:	<input type="checkbox"/>
Loan:	<input type="checkbox"/>	Domestic Currency means:	<input type="checkbox"/>
Bond or Loan:	<input type="checkbox"/>	Not Domestic Law:	<input type="checkbox"/>
		Listed:	<input type="checkbox"/>
		Not Contingent:	<input type="checkbox"/>
		Not Domestic Issuance:	<input type="checkbox"/>

Any other obligations: [Not applicable]

Excluded obligations: [Not applicable]

6. Settlement Terms:

Settlement Method: [Cash Settlement/Physical Settlement]

Valuation Date(s): [Single Date: []/Multiple Dates: []]

Number of Valuation Dates: []
 Valuation Time: [Bid/Offer/Mid-Market]
 Quotation Method: []
 Quotation Amount: []
 Dealers: []
 Settlement Currency: []
 Cash Settlement Date: []
 Quotations: [Include/Exclude] Accrued Interest
 Valuation Method: [Market/Highest/Average Market/Average
 Highest/Blended Market/Blended Highest/Average
 Blended Market/Average Blended Highest]
 Partial Cash Settlement: [Applicable/Non-applicable]
 Escrow: [Applicable/Non-applicable]
7. Dispute Resolution: [Applicable/Non-applicable]
8. Notice and Account Details:
 Telephone, Telex and/or Facsimile Numbers and
 Contact Details for Notices:
 Party A: []
 Party B: []
 Account Details:
 Party A: []
 Party B: []
9. Offices:
 Party A: []
 Party B: []

TAXATION MATTERS

[Here insert any transaction-specific taxation matters]

REPACKAGING STRUCTURES

The following description applies in relation to Notes in connection with which the relevant Issuer acquires Repackaging Assets and, as applicable, enters into Hedging Arrangements. Further details will be set out in the Applicable Supplement for each relevant issue of Notes and the following description is subject to any such supplemental information as may be contained in such Applicable Supplement.

SALE AND PURCHASE OF ASSETS

In relation to Notes issued by an Issuer where the Underlying Assets are Repackaging Assets, the Issuer will enter into a Sale and Purchase Agreement with a third party (which may or may not be HSH Nordbank or any affiliate of HSH Nordbank) pursuant to which the Issuer will acquire a security and/or other financial asset or a portfolio of securities and/or other financial assets (the **"Repackaging Assets"**). The Issuer will grant security over the Repackaging Assets to the Trustee on behalf of itself, the Noteholders and the other secured parties (as to which see "Custody Arrangements" below), and the income and principal receipts in relation to such Repackaging Assets, together with amounts received under Related Agreements (as to which see "Hedging Arrangements" below), will be used to pay the Issuer's obligations in relation to such Notes in the manner described in the Applicable Supplement. The ability of any Issuer to make timely payments in full in respect of any issue of Notes made in connection with a repackaging structure will be entirely dependent upon the Issuer receiving payments in respect of the Repackaging Assets and under the related Hedging Agreements, in full and on time. Furthermore, unless otherwise specified in the Applicable Supplement, there will be a mandatory redemption of the Notes of an affected Series if (i) the Repackaging Assets in respect of such Series are redeemed early and are not replaced with Substitute Assets in accordance with Condition 4(e) within 3 Business Days of such early redemption to the satisfaction of the Trustee, other than as contemplated in the Applicable Supplement; (ii) there has been a failure to pay on the due date therefor (without, unless otherwise specified in the Applicable Supplement, regard to any grace period) in respect of the Repackaging Assets or (iii) if the terms and conditions of the Repackaging Assets are amended such that the issuer thereof shall no longer be obliged to pay the same amounts on the same days as contemplated in the terms and conditions of such assets on the date of issue of the Notes of such Series in circumstances where this results or would result in the Issuer being unable to pay amounts of interest or principal when due on the Notes of such Series.

HEDGING ARRANGEMENTS

The Issuer may enter into one or more swap or other derivative agreements (each a **"Hedging Agreement"**) with one or more Hedging Counterparties (which may or may not be HSH Nordbank or any affiliate of HSH Nordbank) under which the Issuer may hedge its currency and/or interest rate exposure in relation to Repackaging Assets denominated in a different currency from the relevant Notes, or which calculate interest payments on a different basis, by entering into currency and/or interest rate swaps or similar derivative transactions (including caps, floors and collars). The Hedging Agreement will set out the terms under which the Issuer will be able to exchange the cashflows received in respect of the Repackaging Assets for the cashflows required to meet the Issuer's payment obligations under the Notes.

Each Hedging Agreement will terminate on the Scheduled Maturity Date of the relevant Notes unless terminated earlier in accordance with its terms. The rights of the Issuer under each Hedging Agreement shall be a Charged Asset.

Events of Default

The Hedging Agreement will provide for certain "Events of Default" relating to the Issuer and/or the Hedging Counterparty, the occurrence of which may lead to a termination of the Hedging Agreement. The "Events of Default", which will be specified in the applicable Hedging Agreement, will generally relate to certain bankruptcy events relating to the Issuer and/or the Hedging Counterparty, payment failures by the Issuer and/or the Hedging Counterparty, misrepresentations, covenant breaches and certain merger without assumption events with respect to the Issuer and/or the Hedging Counterparty, all as more particularly described in the relevant Hedging Agreement.

Generally, upon the occurrence of an Event of Default under the Hedging Agreement, the non-defaulting party may terminate the Hedging Agreement.

Termination Events

The Hedging Agreement will provide for certain "Termination Events", the occurrence of which may lead to a termination of the Hedging Agreement. The "Termination Events" will generally relate to certain illegality and tax events, all as more particularly described in the relevant Hedging Agreement.

Termination Payments

On the Early Termination Date (as defined in the Hedging Agreement) in respect of the Hedging Agreement, a termination payment (the "**Termination Payment**") will be payable by the relevant Issuer to the Hedging Counterparty or (as the case may be) by the Hedging Counterparty to the relevant Issuer in respect of the Hedging Agreement. There is no guarantee that, upon any such termination, the funds realised from the sale of the Repackaging Assets plus or minus (as the case may be) the Termination Payment due in respect of the Hedging Agreement will be sufficient to pay in full amounts due in respect of the relevant Notes.

CUSTODY ARRANGEMENTS

If so specified in an Applicable Supplement, the Repackaging Assets acquired with the proceeds of issue of a Series of Notes will be held by HSH Nordbank acting in its capacity as custodian for the Issuer (the "**Custodian**") pursuant to a custody agreement to be entered into on or about the date of issue of that Series of Notes (the "**Custody Agreement**"). Unless otherwise specified in the Applicable Supplement, the Custodian will perform its obligations under the Custody Agreement through its Copenhagen office. Under the Custody Agreement, the Custodian will agree to establish on its books a custody account for the deposit of the relevant Repackaging Assets (including all rights attached thereto and proceeds generated or deriving therefrom) and to designate the custody account to show that the relevant Repackaging Assets are segregated from the Custodian's assets, the assets of any other client of the Custodian and the assets relating to any other Series of Notes. Notwithstanding the existence of such custody account on the books of the Custodian, the relevant Repackaging Assets may be held by the Custodian in a commingled client securities account (with securities of other customers of the Custodian) and, subject to applicable law, will be treated as fungible with all other securities of the same issue held in such account by the Custodian. Under the Custody Agreement, the Custodian will be authorised to utilise any securities depository, book-entry system or clearing agency (each a "**Clearing System**") in connection with the performance of its duties under the Custody Agreement and shall, with the consent of the Issuer and the Trustee, be entitled to use sub-custodians subject to satisfaction of any requirements of the Issuer and the Trustee. The Custodian will also be entitled, where it believes it reasonably necessary to do so, to appoint a sub-custodian which has not been approved by the Issuer or the Trustee if the relevant Repackaging Assets would in the reasonable opinion of the Custodian otherwise be in jeopardy.

Where the relevant Repackaging Assets comprise securities, the security created by the Issuer under the relevant Trust Deed will include a charge expressed to be created as a fixed charge over such Repackaging Assets which may be held by the Custodian through a clearing system. The charge is intended to create a proprietary interest in such Repackaging Assets in favour of the Trustee to secure the Issuer's liabilities, *inter alia*, in respect of the relevant Notes. However, where such Repackaging Assets are held through a clearing system or with a sub-custodian, the interests which the Custodian holds are not the physical securities themselves but its rights as an accountholder against the clearing system or sub-custodian in respect of such securities. Accordingly, where securities are held through a clearing system or sub-custodian, the security created by the Issuer may take the form of an assignment of the Issuer's rights against the Custodian under the Custody Agreement rather than a charge over the securities themselves. Moreover, where such Repackaging Assets are held through a clearing system, the interests of the Issuer and the Custodian to such Repackaging Assets may be subject to certain security interests of the clearing system in the Repackaging Assets.

SYNTHETIC STRUCTURES

The following description applies in relation to Notes in connection with which there is a Credit Swap and consists of a summary of certain provisions of a Credit Swap and, as applicable, the Related Assets. Further details will be set out in the Applicable Supplement for each relevant issue of Notes and the following description is subject to any such supplemental information as may be contained in such Applicable Supplement.

CREDIT SWAPS

Introduction

On or before the Issue Date for the relevant series of Notes, the Issuer may enter into a confirmation with the Credit Swap Counterparty incorporating the terms of the ISDA Master Agreement (Multi-currency-Cross Border) (or, if the Issuer and Credit Swap Counterparty so agree, any amendment, supplement or replacement thereof) and a Schedule (the "**Credit Swap**"), to be effective as of the Issue Date for such Series. The Issuer will be the protection seller under the Credit Swap in relation to Reference Assets. The Issuer, in return for one or more fixed payments to be made by the Credit Swap Counterparty to the Issuer, will be obliged to make a payment to the Credit Swap Counterparty and may be obliged to accept delivery of Reference Assets from the Credit Swap Counterparty when a Credit Event has occurred in relation to one or more of the Reference Assets and the related Credit Event Conditions are satisfied. Any such payment by the Issuer will be made out of the proceeds of sale of and amounts arising in respect of Related Assets of the Issuer in relation to such series of Notes and will have the effect of reducing the amount payable by the Issuer on the relevant series of Notes in the manner specified in the Applicable Supplement.

Single Reference Asset or Basket Reference Asset Credit Swaps

Credit Swaps may be entered into in relation to a single Reference Asset or a specified basket of Reference Assets on terms that one or more Cash Settlement Amounts will become payable by the Issuer if the Credit Swap Counterparty delivers, in accordance with the terms of the Applicable Supplement: (i) a notice that a Credit Event has occurred with respect to a Reference Asset (a "**Credit Event Notice**"); (ii) a Notice of Publicly Available Information, or if no such Publicly Available Information is available, a certificate from such other person (if any) as may be specified in the relevant Credit Swap confirming that a Credit Event has occurred; and (iii) in the case of a Credit Swap to be settled by physical settlement a notice containing a description of the Deliverable Obligation(s) which the Credit Swap Counterparty expects to deliver to the Issuer (the "**Notice of Intended Physical Settlement**"). Each Cash Settlement Amount will be payable in accordance with the Credit Swap.

Certain characteristics common to single Reference Asset and basket Reference Asset Credit Swaps and to Portfolio Credit Swaps are set out in "Provisions common to all Credit Swaps" below.

Portfolio Credit Swaps

Credit Swaps may also be entered into in relation to dynamic portfolios of Reference Assets (each a "**Reference Portfolio**") in which case the following characteristics will apply unless otherwise specified in the Applicable Supplement.

Reference Portfolio

The Credit Swap Counterparty will designate on the Issue Date a portfolio of Reference Assets which shall constitute the initial Reference Portfolio.

The sum of the notional amounts of the initial Reference Portfolio (the "**Initial Portfolio Notional Amount**") will be specified at the time that the Credit Swap is entered into. The Credit Swap will specify the circumstances in which the Reference Portfolio may be increased (by way of addition of Reference Assets) or reduced (by way of removal of Reference Assets).

The sum of the notional amounts of all Reference Assets in the Reference Portfolio will at no time exceed the Maximum Portfolio Notional Amount (as defined in the Credit Swap). The Cash Settlement Amounts that the Issuer will be obliged to make under the Credit Swap in respect of Credit Events occurring with respect to Reference Entities will be limited to a maximum amount as specified in the relevant Credit Swap (the "**Maximum Available Protection**"). If the sum of the cash settlement payments would, following the payment of any Cash Settlement Amount, be greater than the Maximum Available Protection, then that Cash Settlement Amount shall be reduced so that this would not be the case.

The Credit Swap Counterparty will establish and maintain a registry (the "**Reference Registry**") in which each Reference Asset in the Reference Portfolio will be identified by its name and an identification number.

The Credit Swap Counterparty may take any of the following actions with respect to the Reference Portfolio at any time and from time to time on any Business Day (each a **“Reference Portfolio Change”**):

- (i) retain any Reference Asset comprised in the Reference Portfolio,
- (ii) make a disposition,
- (iii) make a substitution, and
- (iv) reduce or increase the notional amount relating to any Reference Asset,

provided that, in each case, it can satisfy the applicable requirements.

The Credit Swap will set forth eligibility criteria for the individual Reference Assets (the **“Eligibility Criteria”**) and guidelines for the Reference Portfolio (the **“Reference Portfolio Guidelines”**). Unless otherwise provided in the Credit Swap, the Eligibility Criteria and the Reference Portfolio Guidelines must be satisfied on the Issue Date. Thereafter, no Reference Portfolio Change will be permitted if it would result in non-compliance with any Reference Portfolio Guideline which was complied with immediately prior to such Reference Portfolio Change, provided, however, except as provided in the relevant Credit Swap, if the Reference Portfolio did not comply with any guideline immediately prior to a Reference Portfolio Change, such Reference Portfolio Change will be permitted if it would not increase the extent of non-compliance with such guideline.

On the Issue Date, the Credit Swap Counterparty will deliver to the Trustee and the Issuer a schedule (the **“Reference Portfolio Schedule”**) which will contain detailed information about the Reference Portfolio as specified in the Credit Swap. The Credit Swap Counterparty will deliver written notice (a **“Notice of Change”**) to the Issuer and the Trustee of certain changes to the Reference Portfolio Schedule, including any Reference Portfolio Change. If a Notice of Change relates to a Reference Portfolio Change, such Notice of Change will include a revised Reference Portfolio Schedule and a report on the Reference Portfolio (a **“Reference Portfolio Report”**) reflecting the circumstances which exist prior to and immediately after the Reference Portfolio Change.

The Credit Swap Counterparty will be required to confirm that, as of the Issue Date, the Reference Portfolio satisfies the Reference Portfolio Guidelines and the Reference Portfolio Schedule and Reference Portfolio Report delivered on that date are true and correct. The Credit Swap Counterparty will also be required to confirm that, as of the date on which a Reference Portfolio Change takes effect, the applicable Eligibility Criteria and Reference Portfolio Guidelines are satisfied.

Provisions common to all Credit Swaps

Reference Assets

There is no requirement for the Credit Swap Counterparty or any affiliate of the Credit Swap Counterparty to have any credit exposure to a Reference Entity.

Termination of the Credit Swap

Unless otherwise specified in the Applicable Supplement, the Credit Swap will terminate on the redemption date of the relevant Notes (whether at maturity or following an early redemption of such Notes). The Credit Swap may also specify one or more optional early redemption dates or circumstances.

The Credit Swap is subject to early termination by the Issuer in the event of an event of default or termination event affecting the Credit Swap Counterparty under the Credit Swap, including (a) payment default, (b) bankruptcy-related events and (c) following certain illegality and tax events.

The Credit Swap is subject to early termination by the Credit Swap Counterparty in the event of a payment default by the Issuer and following certain illegality and tax events.

Termination of the Credit Swap will, unless it is replaced within 3 Business Days by an agreement which is certified by the Issuer, to the satisfaction of the Trustee, to comply with the relevant criteria specified in the Applicable Supplement, result in a mandatory redemption of the Notes of the relevant Series. If the Credit Swap is terminated while Notes remain outstanding, Cash Settlement Amounts and principal payments on the Notes will be paid from amounts received by the Issuer on the Related Assets and the Credit Swap. There can be no assurance that such amounts will be sufficient to provide for the full payment of principal and interest on the Notes. (See Condition 11 and the section entitled “Limited Recourse” in “Risk Factors” above.)

Credit Swap Collateral

The obligations of the Issuer to the Credit Swap Counterparty under the Credit Swap will be secured by the Security granted to the Trustee under the Trust Deed. If the Issuer is required to pay any amount to the

Credit Swap Counterparty (including without limitation a Cash Settlement Amount), the Issuer will, unless otherwise specified in the Applicable Supplement, fund the required payment from the proceeds arising on the disposal or transfer of the Related Assets.

Governing Law

Unless otherwise specified in the Applicable Supplement, the Credit Swap will be governed by, and construed in accordance with, the laws of England. Each of the Issuer and the Credit Swap Counterparty will be required to submit to the jurisdiction of the courts of England in connection with the Credit Swap.

REPURCHASE AGREEMENTS

On or before the Issue Date for the relevant Series of Notes the Issuer may enter into a confirmation with HSH Nordbank or such other repo counterparty as may be specified in the Applicable Supplement (the “**Repo Counterparty**”) incorporating the terms of the TBMA/ISMA Global Master Repurchase Agreement (or, if the Issuer and the relevant Repo Counterparty so agree, any amendment, supplement, or replacement thereof) (each a “**Repo Agreement**”).

Initial Purchase and Custodial Arrangements

Pursuant to each Repo Agreement, the Issuer will purchase securities which are Eligible Securities (as defined in such Repo Agreement) from the relevant Repo Counterparty with the proceeds of the issuance of the relevant Notes.

Unless otherwise specified in an Applicable Supplement, where a Repo Agreement is entered into, the Issuer and the Repo Counterparty will enter into a custodial undertaking with HSH Nordbank on or about the same date (the “**Custodial Undertaking**”) pursuant to which each of the Issuer and the Repo Counterparty will appoint HSH Nordbank acting in its capacity as custodian (the “**Custodian**”) to maintain a cash account and a securities account for the Issuer.

Under the Custodial Undertaking, the Custodian will designate the custody account to show that the relevant Eligible Securities are segregated from the Custodian’s assets, the assets of any other client of the Custodian and the assets relating to any other Series of Notes. Notwithstanding the existence of such custody account on the books of the Custodian, the relevant Eligible Securities may be held by the Custodian in a commingled client securities account (with securities of other customers of the Custodian) and, subject to applicable law, will be treated as fungible with all other securities of the same issue held in such account by the Custodian. Under the Custodial Undertaking, the Custodian is authorised to utilise any securities depository, book-entry system or clearing agency (each a “**Clearing System**”) in connection with the performance of its duties under the Custodial Undertaking and shall, with the consent of the Issuer and the Trustee, be entitled to use sub-custodians subject to satisfaction of any requirements of the Issuer and the Trustee. The Custodian will also be entitled, where it believes it reasonably necessary to do so, to appoint a sub-custodian which has not been approved by the Issuer or the Trustee if the relevant Eligible Securities would in the reasonable opinion of the Custodian otherwise be in jeopardy.

The Security created by the Issuer under the relevant Trust Deed will include a charge expressed to be created as a fixed charge over such Eligible Securities which may be held by the Custodian through a clearing system. The charge is intended to create a proprietary interest in such Eligible Securities in favour of the Trustee to secure the Issuer’s liabilities, *inter alia*, in respect of the relevant Notes. However, where such Eligible Securities are held through a clearing system or with a sub-custodian, the interests which the Custodian holds are not the physical securities themselves but its rights as an account holder against the clearing system or sub-custodian in respect of such securities. Accordingly, where securities are held through a clearing system or sub-custodian, the security created by the Issuer may take the form of an assignment of the Issuer’s rights against the Custodian under the Custodial Undertaking rather than a charge over the securities themselves. Moreover, where such Eligible Securities are held through a clearing system, the interests of the Issuer and the Custodian to such Eligible Securities may be subject to certain security interests of the clearing system in the Eligible Securities.

Further Purchases

On each date on which a principal payment is made on any Repo Asset subject to the Repo Agreement the Repo Counterparty will be obliged to sell to the Issuer, and the Issuer will be obliged to purchase from the Repo Counterparty, additional Eligible Securities of the same value as such payment.

Margin Arrangements

The Repo Agreement will provide that the Repo Counterparty must maintain a margin in order to provide protection against potential volatility in the value of the Repo Assets. These margin arrangements will be monitored and operated by the Custodian in accordance with the terms of the relevant Custodial Undertaking and Repo Agreement.

Repurchase of Repo Securities

The Repo Agreement will provide that on each repurchase date the Issuer will be obliged to sell, and the Repo Counterparty will be obliged to repurchase, for a cash price securities which are equivalent in value and nature to the Related Assets.

Substitution

Under certain circumstances, the Repo Counterparty may substitute for the Repo Assets, or such of the Repo Assets as the Repo Counterparty so requests, Eligible Securities selected by the Repo Counterparty, provided that no substitution or exchange may be made to the extent that such substitution or exchange shall result in the creation or increase of a margin deficit. This right of substitution may mean that the security over such Repo Assets, even if expressed to be a first fixed charge, may take effect as a floating charge.

Termination of the Repo Agreement

Unless otherwise specified in the Applicable Supplement, the Repo Agreement will terminate on the redemption date of the relevant Notes (whether at maturity or following an early redemption of such Notes). The Repo Agreement may also specify one or more optional early redemption dates or circumstances.

The Repo Agreement is subject to early termination by the Issuer in the event of an event of default or termination event affecting the Repo Counterparty, including (a) payment defaults, (b) bankruptcy-related events and (c) following certain illegality and tax events as described in the relevant Repo Agreement.

The Repo Agreement is subject to early termination by the Repo Counterparty in the event of a payment default by the Issuer and following certain illegality and tax events as described in the relevant Repo Agreement.

Unless otherwise specified in the Applicable Supplement, termination of the Repo Agreement without a replacement Repo Agreement being entered into, within 3 Business Days of such termination, which is certified by the Issuer, to the satisfaction of the Trustee, to comply with the relevant criteria specified in the Applicable Supplement will result in a mandatory redemption of the Notes of the relevant Series. If the Repo Agreement is terminated while Notes remain outstanding, Cash Settlement Amounts and principal payments on the Notes will be paid from amounts received by the Issuer in respect of the Repo Assets and the Credit Swap. There can be no assurance that such amounts will be sufficient to provide for the full payment of principal and interest on the Notes. Failure of a Repo Counterparty to repurchase Repo Assets will result in there being insufficient funds to provide for the full payment of principal and interest on the Notes.

Ownership of the Repo Securities

The Repo Agreement provides that the full legal and beneficial ownership of any Repo Assets purchased by the Issuer pursuant to the Repo Agreement will transfer from the Repo Counterparty to the Issuer upon such purchase.

Governing Law

Unless otherwise specified in the Applicable Supplement, the Repo Agreement will be governed by, and construed in accordance with, the laws of England. Each of the Issuer and the Repo Counterparty will be required to submit to the jurisdiction of the courts of England in connection with the Repo Agreement.

DEPOSIT AGREEMENTS

The net proceeds of issue of a Series of Notes may be placed on deposit with a bank or banks (each a "**Deposit Bank**" and, together, the "**Deposit Banks**") by the Issuer as specified in the Applicable Supplement, including HSH Nordbank. Each deposit will be governed by and subject to the terms and conditions of a deposit agreement (each a "**Deposit Agreement**") to be entered into between the relevant Issuer and the relevant Deposit Bank on or before the Issue Date for the relevant Tranche of Notes. Unless otherwise specified in the Applicable Supplement, the Deposit Agreement will be governed by, and construed in accordance with, the laws of England. Each Deposit, which will be credited to the relevant Deposit Account, will attract interest at the rate specified in the relevant Deposit Agreement. Where HSH Nordbank is the Deposit Bank and HSH Nordbank is the Credit Swap Counterparty, the Deposit Agreement will provide, *inter alia*, that the Issuer, as depositor, shall not be entitled to withdraw or require repayment of the whole or any part of the Deposit until all amounts payable by the Issuer to the Credit Swap Counterparty under the Credit Swap Agreement have been fully and unconditionally discharged.

The Deposit Agreement will provide that, if the Deposit Bank and the Credit Swap Counterparty are the same entity, the Deposit Bank is authorised to retain, apply and set off the whole or any part of the Deposit (but not any interest earned thereon) against any or all of such amounts then due and payable by the Issuer to the Credit Swap Counterparty under the Credit Swap Agreement. The rights and interests of the Issuer in the Deposit Account, including the monies credited to such account and the debt represented thereby, but subject to the rights of the Deposit Bank under the Deposit Agreement, will be charged in favour of the Trustee pursuant to the terms of the Trust Deed. Any exercise by a Deposit Bank of any right to retain, apply and set off the whole or any part of the Deposit as described above or any failure of a Deposit Bank to repay a Deposit will result in there being insufficient funds to provide for the full payment of principal and interest on the Notes.

COLLATERAL ASSETS

The net proceeds of issue of a Series of Notes may be used by the Issuer to acquire securities and/or other financial assets (the "**Collateral Assets**") from one or more third parties (which may or may not include HSH Nordbank or an affiliate of HSH Nordbank) which shall not be subject to a repo arrangement. Unless otherwise provided in the Applicable Supplement, the Collateral Assets will be held by the Custodian pursuant to a Custody Agreement. The Issuer will grant security in respect of the Collateral Assets to the Trustee on behalf of itself, the Credit Swap Counterparty (in respect of amounts payable to the Credit Swap Counterparty, including Cash Settlement Amounts), the Noteholders and any other secured parties specified in the Applicable Supplement. The security is intended to create a proprietary interest in such Collateral Assets. However, where such Collateral Assets comprise securities held through a clearing system or with a sub-custodian, the security may take the form of an assignment of the Issuer's rights against the Custodian under a Custody Agreement rather than security over such Collateral Assets themselves. Moreover, where such Collateral Assets are held through a clearing system, the interests of the Issuer and the Custodian in such Collateral Assets may be subject to certain security interests of the clearing system in such Collateral Assets. If, in respect of a Series of Notes, the Issuer is required to make payment to the Credit Swap Counterparty following satisfaction of the relevant Credit Event Conditions, the Issuer will, on the advice of the Investment Advisor, liquidate the Collateral Assets relating to that Series to the extent necessary to make such payment after taking into account and utilising amounts standing to the credit of the Issuer with the Custodian and the Account Bank relating to that Series which are available for such purpose. The proceeds of such liquidation will be applied in accordance with the relevant provisions described in the Applicable Supplement and set out in detail in the applicable Supplemental Trust Deed.

TAXATION

The following is a general summary of certain tax considerations in Guernsey, Denmark and the UK relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Guernsey, the Kingdom of Denmark and the UK of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the laws as in effect on the date of this Information Memorandum and is subject to any change in the law that may take effect after such date.

A. Guernsey Taxation

The following summary of the anticipated tax treatment in Guernsey in relation to the payments on the Notes is based on the taxation law and practice in force at the date of this document, and does not constitute legal or tax advice and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Notes and the receipt of interest and distributions (whether or not on a winding-up) with respect to such Notes under the law of the jurisdictions in which they may be liable to taxation.

Mare Baltic has applied for and has been granted tax exempted status in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989, 1992 and 1996. The exemption is granted on an annual basis after payment of an annual fee to the States of Guernsey Income Tax Authority. It is the intention of the directors of Mare Baltic to apply for such exemption annually.

No withholding tax or deduction will be made on interest payments made by Mare Baltic in respect of any Notes issued by Mare Baltic to Noteholders not resident in Guernsey.

Noteholders who do not engage in trade or carry on business through a permanent establishment in Guernsey for Guernsey tax purposes and who are not resident in Guernsey for Guernsey tax purposes will not suffer any charge for Guernsey income tax on any interest payments received from Mare Baltic nor will such holders be required to file or make any return to the Income Tax Authority in Guernsey.

Under current legislation in Guernsey, there is no liability to Capital Gains Tax, Wealth Tax, Capital Transfer Tax or Estate of Inheritance Tax on the issue, transfer, realisation or redemption of Notes issued by Mare Baltic nor is any stamp duty or similar tax payable in Guernsey on the issue or transfer of such Notes.

Holders of Notes who are resident for tax purposes in Guernsey or engage in trade or carry on business in Guernsey through a branch or agency to which the Note is attributable may be subject to Guernsey income tax on the interest paid on the Notes.

In the event of the death of a sole holder of Notes, a Guernsey grant of probate or administration may be required in respect of which certain fees will be payable to the Ecclesiastical Registrar in Guernsey.

B. Danish Taxation

The following statement is intended only as a general summary of the Danish tax treatment related to payments on the Notes. Particular categories of taxpayers may be subject to different rules.

Investors fully taxable in Denmark may be subject to tax on interest and on capital gains.

Under existing Danish laws there is generally no withholding tax or coupon tax on payment of interest or principal or other amounts due on the Notes.

Investors not fully tax liable to Denmark are not liable to pay tax in Denmark on interest or on capital gain from the Notes.

Private investors fully taxable in Denmark must pay tax in Denmark on interest on the Notes in accordance with general tax rules. Unless Notes fulfil the minimum interest rate requirements, private investors are taxable on capital gains realised on the Notes, while losses will generally be tax deductible. If Notes fulfil the minimum interest rate requirement for Danish tax purposes and the Notes are issued in Danish currency (DKK), capital gains on such Notes are tax-free while losses cannot be deducted.

Companies that are tax resident in Denmark are liable to pay tax on interest. Capital gains on the Notes are taxable, and losses are deductible.

Investors liable to tax pursuant to the Danish Pension Yield Tax Act ("**PAL**"), i.e. Danish pension funds and life insurance companies, are liable to include interest income in their taxable PAL-income. Capital gains and losses are also to be included in their taxable PAL-income.

C. United Kingdom Taxation

The following is a summary of the United Kingdom withholding tax treatment of payments of principal and interest in respect of the Notes as at the date hereof. The following comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. Those comments relate only to the position of persons who are absolute beneficial owners of the Notes, do not relate to certain categories of Noteholder (such as tax-exempt persons), and are made on the assumption that the Issuer of the Notes is not resident in the United Kingdom for United Kingdom tax purposes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Applicable Supplement may affect the tax treatment of that and any other series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt about their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of Notes are particularly advised to consult their professional advisers as to their tax position, since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

UK Withholding Tax on Interest Payments by an Issuer

1. Payments of interest on the Notes may be subject to withholding or deduction for or on account of United Kingdom income tax (currently at the rate of 20 per cent.) if such interest has a United Kingdom source. Interest on Notes may have a United Kingdom source where, for example, the Notes are secured on assets situate in the United Kingdom or the interest is paid out of funds maintained in the United Kingdom.
2. Interest which has a United Kingdom source ("**UK interest**") may be paid by the relevant Issuer without withholding or deduction for or on account of United Kingdom income tax if:
 - (A) the Notes in respect of which the UK interest is paid constitute "quoted Eurobonds". Notes which carry a right to interest will constitute quoted Eurobonds provided that they are and continue to be listed on a recognised stock exchange. On the basis of the United Kingdom Inland Revenue's published interpretation of the relevant legislation, securities which are admitted to trading on a recognised stock exchange in a country which is a member of the European Union or part of the European Economic Area and which are listed by a competent authority in that country will be treated as satisfying this requirement. The Copenhagen Stock Exchange is a recognised stock exchange and is the competent authority in Denmark for these purposes. Provided, therefore, that the Notes are and remain listed on the Copenhagen Stock Exchange, interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom income tax;
 - (B) relief from such withholding tax is available under the provisions of any applicable double taxation treaty, and an appropriate clearance has been obtained from the United Kingdom Inland Revenue for the interest to be paid free of such withholding tax; or
 - (C) the person or body beneficially entitled to the interest is (and the Issuer has reasonable grounds for believing that such person or body is) a company resident in the United Kingdom, a partnership each member of which is a company resident in the United Kingdom or a company not resident in the United Kingdom which carries on a trade in the United Kingdom through a branch or agency and which is subject to United Kingdom corporation tax in respect of that interest.

Provision of Information

3. Noteholders who are individuals should note that where any interest on the Notes is paid:
 - (A) to such Noteholders (or to any person acting on their behalf) by any person in the United Kingdom acting on behalf of the relevant Issuer (a "**paying agent**"); or
 - (B) is received by any person in the United Kingdom acting on behalf of the relevant Noteholders (other than solely by clearing or arranging the clearing of a cheque) (a "**collecting agent**"),

the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to the United Kingdom Inland Revenue details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address). Those provisions will

apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax, and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. The details provided to the United Kingdom Inland Revenue may, in certain cases, be passed by the United Kingdom Inland Revenue to the tax authorities of other jurisdictions. The provisions referred to above may also apply, in certain circumstances, to payments made on the redemption of any Notes issued at an issue price of less than 100 per cent. of their principal amount.

Other Rules Relating to United Kingdom Withholding Tax

4. Notes may be issued at an issue price of less than their principal amount. Any discount element on any such Notes will not generally be subject to United Kingdom withholding tax. However, the discount element may be subject to the reporting requirements outlined above.
5. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
6. The references to "interest" above mean "interest" for the purposes of United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be deemed to apply under the terms and conditions of the Notes or any related documentation.
7. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer pursuant to Conditions 9 or 14 of the Notes and does not consider the tax consequences of any substitution.

D. EU Savings Directive

The European Union has adopted a Directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required from 1 July 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

Any Pricing Supplement or Supplemental Information Memorandum relating to a particular Tranche of Notes will (where appropriate) include a summary of any tax matters supplementing or amending the above summary.

SUBSCRIPTION AND SALE

The initial Dealer has in a Programme Agreement dated 4 July 2003 (as amended and supplemented from time to time) (the "**Programme Agreement**") agreed with the Issuer a basis upon which it may from time to time agree to purchase Notes issued. Any such agreement for any particular purchase will extend to those matters stated under "Summary of the Programme" and "Terms and Conditions of the Notes" above.

In the Programme Agreement the Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes issued by the Issuer and has agreed to reimburse HSH Nordbank as arranger for certain of its expenses in connection with the establishment of, and amendments to, this Programme. The Programme Agreement may be terminated in relation to all the Dealers or any of them by the Issuer or, in relation to itself, by a Dealer, at any time on giving not less than 15 days' written notice.

SELLING RESTRICTIONS

Denmark

Each Dealer has represented and agreed that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of public offer, unless in compliance with the Danish Consolidated Act No. 1269 of 19 December 2003, as amended, on Trading in Securities and Executive Orders issued thereunder.

Finland

This Information Memorandum constitutes neither a prospectus (*tarjousesite*) nor listing particulars (*listalleottoesite*) under the Finnish Securities Market Act (495/1989) nor has it been filed with or approved by the Finnish Financial Supervision Authority. This Information Memorandum is being distributed to a limited number of pre-selected investors in circumstances where the offer of the Notes in connection with this document does not constitute a public offer as defined in the Securities Market Act of the Republic of Finland. The Dealer has acknowledged, and each further Dealer appointed under the Programme Agreement in relation to the Notes will be required to acknowledge, that the Notes have not been and will not be offered or sold, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, except pursuant to applicable Finnish laws and regulations. Specifically, the Notes must not be offered or sold, directly or indirectly, to the public in the Republic of Finland.

Germany

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that it has only offered and sold and will only offer and sell Notes in the Federal Republic of Germany in accordance with the provisions of the Securities Sales Prospectus Act of 13 December 1990, as amended (*Wertpapier-Verkaufsprospektgesetz*) and any other laws applicable in the Federal Republic of Germany governing the issue, sale and offering of securities.

Japan

The Notes have not been and will not be offered or sold in Japan except in compliance with the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to a resident of Japan except in compliance with the Securities and Exchange Law and any other applicable laws, regulations, ministerial ordinances and ministerial guidelines of Japan.

Norway

The Dealer has acknowledged, and each further Dealer appointed under the Programme Agreement in relation to the Notes will be required to acknowledge that no public offerings or sale of the Notes or any distribution of any offering material relating to the Notes will be made in or from Norway, except for Notes in respect of which the requirements of Norwegian law concerning public offering of securities in Norway, including but not limited to the Norwegian Securities Trading Act, have been fulfilled.

Sweden

The Dealer has agreed and each further Dealer appointed under the Programme Agreement in relation to the Notes will be required to represent and agree that it will not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or purchase or sell any Notes or distribute any draft or definitive documents in relation to any such offer, invitation or sale in Sweden except in compliance with the laws of Sweden.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

1. in relation to Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of the period of six months from the issue date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);

2. with respect to any Tranche of Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (b) it has not offered or sold and will not offer or sell any such Notes other than to persons:
 - (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
3. it will only communicate or cause to be communicated any 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 such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
4. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

United States

Each Dealer has acknowledged, and each further Dealer appointed under the Programme Agreement will be required to acknowledge, that the Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Notes are being offered and sold only outside the United States to persons other than U.S. persons (“**foreign purchasers**”, which term includes dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners, other than an estate or trust) in reliance upon Regulation S.

Terms used in this section of “Selling Restrictions” have the meanings given to them by Regulation S.

General

These selling restrictions may be modified by the agreement of the Issuer and the relevant Dealers including following a change in a relevant law, regulation or directive. Any such modification will be set out in the Applicable Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Information Memorandum.

No action has been or will be taken in any jurisdiction that would, or is intended to, permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other offering material or any Applicable Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer will be required to agree that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Information Memorandum, any other offering material or any Applicable Supplement.

GENERAL INFORMATION

1. Listing

Application has been made to enable the listing of Notes issued under the Programme on the Copenhagen Exchange.

However, Notes may be issued pursuant to the Programme which will not be listed on the Copenhagen Stock Exchange or any other stock exchange or which will be listed or admitted to trading on any other stock exchange as specified in the Applicable Supplement.

2. Legends

Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165 (j) and 1287 (a) of the Internal Revenue Code". The sections referred to in the legend provide that, with certain exceptions, a U.S. taxpayer will not be permitted to deduct any loss, and will not be eligible for capital gain treatment with respect to any gain, realised on a sale, exchange or redemption of a Bearer Note, Receipt, Coupon or Talon.

3. Clearing Systems

Notes may be accepted for clearance through Euroclear and Clearstream, Luxembourg and issuance, clearing or settlement through the Danish Securities Centre (*Værdipapircentralen*). The appropriate Common Code (and any other relevant identification number of any alternative clearing system) for each Tranche of Notes will be set out in the relevant Applicable Supplement. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and Common Code will be specified in the Applicable Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the Applicable Supplement.

4. Switzerland

The issue of any Swiss franc denominated Note will take place in compliance with the guidelines of the Swiss National Bank regarding the issue of Swiss franc denominated debt securities. In particular, any such issue must be effected and sold through a bank or finance company domiciled in Switzerland which is regulated under Article 8 of the Federal Law on Bank and Savings Banks of 1934 (as amended) (which includes a branch or subsidiary located in Switzerland of a foreign bank). Under current guidelines, such bank or finance company must have obtained the authorisation of the Swiss National Bank prior to effecting the transaction.

5. Consents and Approvals

Mare Baltic has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The establishment of the Programme and execution of the Programme Agreement, the Principal Trust Deed, the Agency Agreement, the Operation Services Agreement, the Investment Intermediary and Advisory Agreement and the issue of the initial Information Memorandum and listing were authorised by resolutions of the Board of Directors of Mare Baltic passed on 25 June 2003. The issue of this updated Information Memorandum was authorised by a resolution of the Board of Directors of Mare Baltic passed on 27 October 2004.

6. Legal or arbitration proceedings; no material adverse change

There are no nor have there been any legal or arbitration proceedings involving Mare Baltic (including any such proceedings which are pending or threatened of which Mare Baltic is aware) which are material in the context of the issue of the Notes. There has been no material adverse change in the financial position or prospects of Mare Baltic since the date of its last published financial statements on 31 December 2003.

7. Documents available for inspection

For so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available for inspection from the date hereof and, in the case of items (ii) to (iii), for collection, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the specified office of the Paying Agent in Copenhagen:

- (i) a copy of this Information Memorandum;
- (ii) a copy of each Applicable Supplement in respect of Series of Notes which are listed on the Copenhagen Stock Exchange;
- (iii) the Declaration of Trust;

- (iv) the memorandum and articles of association of Mare Baltic PCC Limited.;
- (v) the Trust Deed; and
- (vi) any documents which at such time are deemed to be incorporated by reference in this Information Memorandum, as described in "*Documents Incorporated by Reference*" above.

8. Financial Statements

The accounts of Mare Baltic for the period 31 January 2003 to 31 December 2003 were prepared in accordance with International Financial Reporting Standards and were audited by KPMG Channel Islands Limited who issued an unqualified audit opinion. The summary financial information relating to Mare Baltic contained in this document for the period 31 January 2003 to 31 December 2003 does not constitute statutory accounts but has been extracted without material adjustment from the audited accounts prepared in accordance with The Companies (Guernsey) Law, 1994.

9. VP Agency

Pursuant to a VP agreement dated 17 July 2003 and made between the VP, HSH Nordbank AG, Copenhagen branch and Mare Baltic (the "**VP Agreement**") and in accordance with the terms of a VP agency agreement dated 4 July 2003 and made between Gudme Raaschou Bankaktieselskab (now known as HSH Gudme Bank A/S) and Mare Baltic (the "**VP Agency Agreement**"), Mare Baltic appointed Gudme Raaschou Bankaktieselskab (now known as HSH Gudme Bank A/S) as, *inter alia*, its authorised issuing agent in relation to Notes issued by Cell 2003-1 through the VP. As such, Gudme Raaschou Bankaktieselskab (now known as HSH Gudme Bank A/S) acts as intermediary between Mare Baltic and the VP in relation to certain administrative matters concerning the registration at the VP and servicing of the Notes issued by Cell 2003-1 through the VP, for which it receives its standard fee. It is expected that HSH Gudme Bank A/S will be appointed, on similar terms, as VP agent in respect of subsequent issues of Notes issued to which this Information Memorandum relates.

10. KPMG Channel Islands Limited's consent

KPMG Channel Islands Limited have given and have not withdrawn their written consent to the inclusion herein of references to their name in the form and context in which they appear.

INDEX OF DEFINED TERMS

“Accrual Period”	has the meaning given to such expression in Condition 6(g) (Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes);
“Administration Agreement”	means the administration agreement between Harbour Trustees Limited and Mare Baltic dated 7 May 2003;
“Agents”	means the persons specified as such in Condition 8(f) (Appointment of the Agents);
“Amortisation Yield”	has the meaning given to such expression in Condition 6(e) (Interest Rate on Zero Coupon Notes) ;
“Amortised Face Amount”	has the meaning given to such expression in Condition 7(d) (Early Redemption of Zero Coupon Notes);
“Applicable Supplement”	has the meaning given to such expression on page 2;
“Arranger”	means HSH Nordbank;
“Authorised Denomination”	has the meaning given to such expression in Condition 1(a) (Form and Denomination);
“Available Redemption Monies”	has the meaning given to such expression in Condition 7(b) (Mandatory Redemption);
“Base Currency”	means euro;
“Bearer Notes”	means Notes issued in bearer form;
“Business Day Convention”	means the relevant business day convention specified in the Applicable Supplement;
“Business Day”	has the meaning given to such expression in Condition 6(g) (Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes);
“Calculation Agent”	means, in relation to the Notes, the person specified as such in the Applicable Supplement;
“Cash Settlement Amount”	means in respect of each Note being redeemed, either the amount specified in the relevant Applicable Supplement or, if a formula is specified in the relevant Applicable Supplement, an amount calculated using such formula;
“Cash-Settled Notes”	has the meaning given to such expression on page 20;
“Charged Assets”	has the meaning given to such expression in Condition 4(b) (Security);
“Class”	means Notes of a Series issued in a class, as further specified in the Applicable Supplement;
“Clearing System”	means a securities depository, book-entry system or clearing agency (each a “ Clearing System ”);
“Clearstream, Luxembourg”	means Clearstream Banking, société anonyme;
“Collateral Assets”	has the meaning given to such expression on page 84;
“Common Depository”	has the meaning given to such expression on page 64;
“Conditions”	means the Terms and Conditions which govern the Notes;
“Copenhagen Listing Agent”	means HSH Gudme Bank A/S of Kalvebod Brygge 39-41, DK 1560 Copenhagen V, Denmark;
“Copenhagen Paying Agent”	means, in relation to the Notes, the person specified in the Applicable Supplement relating to the Notes as the Copenhagen Paying Agent;

“Copenhagen Stock Exchange”	means Copenhagen Stock Exchange A/S (<i>Københavns Fondsbørs A/S</i>);
“Corporate Administrator”	means Harbour Trustees Limited of PO Box 73, Harbour Court, Les Amballes, St Peter Port, Guernsey, Channel Islands;
“Counterparty”	has the meaning given to such expression in Condition 4(a) (Related Agreements);
“Coupon”	has the meaning given to such expression in Condition 1(b) (Title);
“Couponholders”	has the meaning given to such expression in Condition 1(b) (Title);
“Credit Event”	has the meaning given to such expression on page 13];
“Credit Event Conditions”	means the conditions in respect of Credit Events which, if applicable to an issue of Notes, will be specified in the relevant Applicable Supplement;
“Credit Event Notice”	has the meaning given to such expression on page 80;
“Credit Swap”	has the meaning given to such expression on page 13;
“Credit Swap Counterparty”	has the meaning given to such expression on page 13;
“Custodial Undertaking”	has the meaning given to such expression on page 37;
“Custodian”	has the meaning given to such expression on page 15;
“Custody Agreement”	has the meaning given to such expression on page 37;
“Day Count Fraction”	has the meaning given to such expression in Condition 6(g) (Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes);
“Dealer”	means HSH Nordbank;
“Declaration of Trust”	means the declaration of trust made by Harbour Trustees Limited on 7 May 2003;
“Deed of Accession”	means any deed of accession pursuant to which a party accedes to one or more of the Transaction Documents;
“Definitive Note”	means notes in definitive form (each a “ Definitive Note ” and together the “ Definitive Notes ”);
“Deliverable Obligation”	will, if applicable, have the meaning given to it in the Applicable Supplement;
“Dematerialised Notes”	means Notes issued in dematerialised form;
“Deposit”	has the meaning given to such expression on page 13;
“Deposit Agreement”	has the meaning given to such expression on page 83;
“Deposit Banks”	means the banks specified as such on page 83 (each a “ Deposit Bank ”);
“Deposit Counterparty”	has the meaning given to such expression on page 13;
“Designated Maturity”	means the period specified as such in the Applicable Supplement;
“Determination Agent”	has the meaning given to such expression on page 37;
“Determination Date”	will have the meaning given to it in the Applicable Supplement;
“Determination Period”	has the meaning given to such expression in Condition 6(g) (Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes);
“Dispute”	has the meaning given to such expression in Condition 19(b) (Submission to Jurisdiction);

“Dual Currency Notes”	means Notes issued in dual currency;
“Early Redemption Amount”	has the meaning given to such expression on page 49;
“Eligibility Criteria”	has the meaning given to such expression on page 81;
“Eligible Securities”	has the meaning given to such expression in the relevant Repo Agreement;
“Enforcement Notice”	has the meaning given to such expression in Condition 10(a) (Events of Default);
“Euroclear”	means Euroclear Bank S.A./N.V.;
“Event of Default”	has the meaning given to such expression in Condition 10(a) (Events of Default);
“Exchange Date”	has the meaning given to that expression on page 65;
“Exchange Rate”	has the meaning given to that expression on page 12;
“Exercise Notice”	has the meaning given to such expression in Condition 7(g) (Redemption at the Noteholder’s Option and Exercise of Noteholders’ Options);
“Existing Series”	has the meaning given to such expression on page 21;
“Fitch”	means Fitch Ratings Limited;
“Fixed Rate Notes”	means Notes bearing interest at a fixed rate payable at the rate specified in the Applicable Supplement;
“Floating Rate Notes”	means Notes bearing interest at a floating rate set separately for each Series as may be specified in the Applicable Supplement;
“Floating Rate Option”	has the meaning given to that expression in Condition 6(b)(ii) (Rate of Interest);
“Foreign Purchasers”	has the meaning given to that expression on page 90;
“Foreign Security”	has the meaning given to that expression on page 15;
“FSMA”	means the Financial Services and Markets Act 2000;
“Further Tranche”	has the meaning given to that expression on page 17;
“Global Note”	means either a Temporary Global Note or a Permanent Global Note;
“Global Registered Note”	has the meaning given to that expression on page 17;
“Guarantor”	has the meaning given to that expression in Condition 4(a) (Related Agreements);
“Hedging Agreement”	has the meaning given to that expression on page 14;
“Hedging Counterparty”	means the relevant counterparty to a Hedging Agreement, as specified in the Applicable Supplement;
“Holder”	has the meaning given to that expression in Condition 1(b) (Title);
“HSH Nordbank”	means HSH Nordbank AG, Copenhagen branch of Kalvebod Brygge 39-41, DK 1560 Copenhagen V, Denmark;
“IAS”	means the international accounting standards;
“Indexed Notes”	has the meaning given to that expression on page 12;
“Initial Issuer”	means Mare Baltic;
“Initial Portfolio Notional Amount”	has the meaning given to that expression on page 80;
“Instructing Creditor”	means the creditor, as specified in the Applicable Supplement and the relevant Supplemental Trust Deed;
“Interest Amount”	has the meaning given to that expression in Condition 6(b)(iv)

	(Determination of Rate of Interest and calculation of Interest Amounts);
“Interest Commencement Date”	means, unless otherwise specified in the Applicable Supplement, the Issue Date;
“Interest Payment Date”	has the meaning given to that expression in Condition 6(b)(i) (Interest Payment Dates);
“Interest Period”	has the meaning given to such expression in Condition 6(g) (Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes);
“Investment Adviser”	has the meaning given to that expression on page 11;
“Investment Intermediary and Advisory Agreement”	has the meaning given to that expression on page 11;
“Investment Company Act”	means United States Investment Company Act;
“ISDA Definitions”	means the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of Notes;
“ISDA Determination”	has the meaning given to such expression in Condition 6(b)(ii) (Rate of Interest);
“ISDA Rate”	has the meaning given to such expression in Condition 6(b)(ii) (Rate of Interest);
“Issue Agent”	has the meaning given to that expression on page 36;
“Issue Date”	means the date of issue of any Notes;
“Issuer”	means Mare Baltic and each company specified as such in an Information Memorandum Addendum;
“Mandatory Redemption Event”	has the meaning given to that expression on page 19;
“Mare Baltic”	means Mare Baltic PCC Limited of PO Box 73, Harbour Court, Les Amballes, St. Peter Port, Guernsey, Channel Islands;
“Margin”	has the meaning given to such expression in Condition 6(g) (Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes);
“Maximum Available Protection”	has the meaning given to that expression on page 80;
“Maximum Portfolio Notional Amount”	means the maximum notional amount of the Reference Assets in the Reference Portfolio, as defined in the Credit Swap;
“Maximum Rate of Interest”	means the maximum Rate of Interest, as specified in the Applicable Supplement;
“Minimum Rate of Interest”	means the minimum Rate of Interest, as specified in the Applicable Supplement;
“Moody’s”	means Moody’s Investors Service Limited;
“New Series”	has the meaning given to such expression on page 21;
“Non-Interest Bearing Notes”	has the meaning given to that expression on page 18;
“Noteholder’s Option”	has the meaning given to such expression in Condition 7(g) (Redemption at the Noteholder’s Option and Exercise of Noteholders’ Options);
“Noteholders”	has the meaning given to such expression in Condition 1(b) (Title);
“Notes”	has the meaning given to such expression in Condition 1(a) (Form and

	Denomination);
“Notice of Change”	has the meaning given to that expression on page 81;
“Notice of Intended Physical Settlement”	has the meaning given to that expression on page 80;
“Notice of Publicly Available Information”	will, if applicable, have the meaning given to it in the Applicable Supplement;
“Operation Services Agreement”	has the meaning given to that expression on page 11;
“Operation Services Provider”	has the meaning given to that expression on page 31;
“Optional Exchange”	has the meaning given to such expression in Condition 7(j) (Exchange of Notes for Charged Assets);
“Original Tranche”	has the meaning given to that expression on page 17;
“Partly Paid Notes”	has the meaning given to that expression on page 12;
“Paying Agent”	means the person specified as such on page 37;
“Period End Date”	has the meaning given to such expression in Condition 6(g) (Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes);
“Permanent Global Note”	means Bearer Notes represented by a permanent global note;
“Physically-Settled Notes”	has the meaning given to that expression on page 20;
“Portfolio Credit Swaps”	has the meaning given to that expression on page 80;
“Pricing Supplement”	has the meaning given to that expression on page 2;
“Principal Paying Agent”	means the person specified as such on page 37;
“Principal Trust Deed”	has the meaning given to that expression on page 37;
“Proceedings”	has the meaning given to such expression in Condition 19(b) (Submission to Jurisdiction);
“Programme Agreement”	has the meaning given to that expression on page 88;
“Programme Limit”	has the meaning given to that expression on page 11;
“Programme”	means the structured note programme established by Mare Baltic;
“Rates of Interest”	means the rates per annum at which the outstanding nominal amount of Notes bear interest;
“Rating Agency”	means Standards & Poor’s, Moody’s or Fitch and/or any other rating agency (each a “Rating Agency”);
“Receiptholders”	has the meaning given to such expression in Condition 1(b) (Title);
“Receipts”	has the meaning given to such expression in Condition 1(b) (Title);
“Record Date”	has the meaning given to such expression in Condition 8(b) (Registered Notes);
“Redemption Amount”	has the meaning given to such expression in Condition 6(g) (Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes);
“Redemption Option Period”	means the period specified as such in the Applicable Supplement;
“Redenomination Date”	has the meaning given to such expression in Condition 17 (Economic and Monetary Union);
“Reference Assets”	has the meaning given to that expression on page 1;

“Reference Pool”	will, if applicable, have the meaning given to it in the Applicable Supplement;
“Reference Portfolio”	has the meaning given to that expression on page 80;
“Reference Portfolio Change”	has the meaning given to that expression on page 81;
“Reference Portfolio Guidelines”	has the meaning given to that expression on page 81;
“Reference Portfolio Report”	has the meaning given to that expression on page 81;
“Reference Portfolio Schedule”	has the meaning given to that expression on page 81;
“Reference Rate”	means the rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Copenhagen time, in the case of CIBOR, or London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date;
“Reference Registry”	has the meaning given to that expression on page 80;
“Register”	has the meaning given to such expression in Condition 1(b) (Title);
“Registered Note Certificates”	means a registered note certificate issued to each holder of a Registered Note;
“Registered Notes”	means Notes issues in registered form;
“Registrar”	means the person specified as such on page 37;
“Related Agreements”	has the meaning given to that expression on page 14;
“Related Assets”	has the meaning given to that expression on page 13;
“Relevant Date”	has the meaning given to such expression in Condition 7(d) (Early Redemption of Zero Coupon Notes);
“Repackaging Assets”	has the meaning given to that expression on page 12;
“Repo Agreement”	has the meaning given to that expression on page 82;
“Repo Assets”	has the meaning given to that expression on page 13;
“Repo Counterparty”	means the relevant counterparty to a Repo Agreement, as specified in the Applicable Supplement;
“Reset Date”	has the meaning given to such expression in Condition 6(b)(ii) (Rate of Interest);
“Sale and Purchase Agreement”	has the meaning given to that expression on page 12;
“Scheduled Maturity Date”	has the meaning given to such expression in Condition 1(a) (Form and Denomination);
“Screen Rate Determination”	has the meaning given to such expression in Condition 6(b)(ii) (Rate of Interest);
“Secured Creditors”	has the meaning given to that expression on page 12;
“Secured Obligations”	has the meaning given to that expression on page 12;
“Securities Act”	means U.S. Securities Act of 1933 (as amended);
“Securities and Exchange Law”	means the Securities and Exchange Law of Japan;
“Security”	has the meaning given to such expression in Condition 4(b) (Security);
“Security Documents”	has the meaning given to such expression in Condition 4(b) (Security);
“Series”	means one or more series of Notes;
“Special Conditions”	means the special conditions, if any, set out in the Applicable

	Supplement;
“Specified Currency”	means the relevant currency, as specified in the Applicable Supplement;
“Specified Denomination”	means the denomination of the Notes, as specified in the Applicable Supplement;
“Standard & Poor’s”	means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc.;
“Subordinated Notes”	means Notes issued on a subordinated basis;
“Subscription Price”	means the issue price of the Notes, as specified in the Applicable Supplement;
“Substitute Assets”	has the meaning given to such expression in Condition 4(e) (Substitution, Lending and Repos of Repackaging Assets);
“sub-unit”	has the meaning given to such expression in Condition 6(b)(iv) (Determination of Rate of Interest and calculation of Interest Amounts) ;
“Supplemental Trust Deed”	has the meaning given to that expression on page 2;
“Supplemental Information Memorandum”	has the meaning given to that expression on page 2;
“Supplementary Security Documents”	has the meaning given to such expression in Condition 4(b) (Security);
“Talon”	means a talon attached to interest bearing Notes in bearer form in respect of further Coupons;
“Talonholder”	means a holder of Talon(s);
“TARGET System”	means the Trans-European Automated Deal - Time Gross Settlement Transfer System;
“Tax Event”	has the meaning given to such expression in Condition 7(b) (Mandatory Redemption);
“Tax Materiality Condition”	has the meaning given to such expression in Condition 7(b) (Mandatory Redemption);
“Temporary Global Note”	means Bearer Notes represented by a temporary global note without interest coupons;
“Termination Payment”	has the meaning given to that expression on page 79;
“Tranche”	means a tranche of a Series of Notes;
“Transaction Documents”	has the meaning given to that expression on page 37;
“Treaty”	means the Treaty on European Union;
“Trustee”	has the meaning given to that expression on page 37;
“UK Interest”	means interest which has a UK source;
“Underlying Assets”	has the meaning given to that expression on page 1;
“Unsubordinated Notes”	means Notes issued on an unsubordinated basis;
“Variable Coupon Amount Note”	has the meaning given to such expression in Condition 6(g) (Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes);
“Variable Redemption Amount Notes”	has the meaning given to such expression in Condition 6(g) (Business Day, Business Day Conventions, Day Count Fractions, Redemption Amount and other Adjustments applicable to Fixed Rate Notes, Floating Rate Notes and Variable Coupon Amount Notes);
“VP Agency Agreement”	has the meaning given to such expression on page 37;

“VP Agent”

is the person specified as such in the Applicable Supplement;

“VP”

means the Danish Securities Centre (*Værdipapircentralen*); and

“Zero Coupon Notes”

means Notes which do not bear interest.

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