

ПРОСПЕКТ ЦЕННЫХ БУМАГ ИНОСТРАННОГО ЭМИТЕНТА

БрокерКредитСервис Стракчэрд Продактс ПиЭлСи

(полное фирменное наименование эмитента (эмитента представляемых ценных бумаг))

**Бескупонные облигации на сумму 300,000,000 долларов США
со сроком погашения в апреле 2028 года, ISIN – XS1801889830**

(вид, категория (тип), форма ценных бумаг, ISIN и их иные идентификационные признаки)

**Номинальная стоимость 100 000 долларов США, количество 3 000 штук,
срок погашения 11 апреля 2028 года**

(номинальная стоимость (если имеется) и количество ценных бумаг, для облигаций также
указывается срок погашения)

Информация, содержащаяся в настоящем проспекте ценных бумаг, подлежит раскрытию в соответствии с законодательством Российской Федерации о ценных бумагах

Настоящим подтверждается достоверность и полнота всей информации,
содержащейся в проспекте ценных бумаг.

БрокерКредитСервис
Стракчэрд Продактс ПиЭлСи
(полное фирменное наименование
эмитента (эмитента
представляемых ценных бумаг),
подписывающего проспект
ценных бумаг иностранного
эмитента)

Директор

(наименование должности
руководителя или иного лица,
подписывающего проспект
ценных бумаг от имени эмитента
(эмитента представляемых ценных
бумаг), название и реквизиты
документа, на основании которого
иному лицу предоставлено право
подписывать проспект ценных
бумаг от имени эмитента
(эмитента представляемых ценных
бумаг))



(подпись)

Димитра Каркалли
(И.О. Фамилия)

Дата «22» мая 2018 года

Настоящий проспект ценных бумаг иностранного эмитента (далее – Проспект) составлен в соответствии с Правилами и требованиями к содержанию и составу сведений проспекта ценных бумаг иностранного эмитента, утвержденными Приказом Председателя Правления ПАО Московская Биржа от 10.04.2018 № 675-од.

Ниже приведены ссылки на документ, содержащий информацию об эмитенте и программе облигаций (далее – Базовый проспект), а также изменения, внесенные в Базовый проспект (далее – Изменения в базовый проспект) на дату подписания Проспекта:

- Базовый проспект программы по выпуску облигаций от 22 декабря 2017г.:

<http://www.e-disclosure.ru/portal/FileLoad.ashx?Fileid=1427902>

- Изменения в базовый проспект программы по выпуску облигаций от 23 февраля 2018г.:

<http://www.e-disclosure.ru/portal/FileLoad.ashx?Fileid=1427907>

DRAWDOWN PROSPECTUS

BrokerCreditService Structured Products plc

(incorporated in The Republic of Cyprus)

(the “Issuer”)

Issue of Series 2018-6 USD 300,000,000 Zero Coupon Notes due April 2028

under the EUR 20,000,000,000 Euro Medium Term Note Programme (the “Programme”)

Under its EUR 20,000,000,000 euro medium term note programme (the “Programme”), BrokerCreditService Structured Products plc (the “Issuer”) is issuing USD 150 000 000 Zero Coupon Notes due April 2028 (the “Notes”).

The Notes constitute unsubordinated and unsecured obligations of the Issuer. The Notes constitute direct, general and unconditional obligations of the Issuer which rank at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

This document constitutes a drawdown prospectus (“**Drawdown Prospectus**”) for the purposes of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended (the “**Prospectus Directive**”). This Drawdown Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive. The Central Bank only approves this Drawdown Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Application will be made to the Irish Stock Exchange plc trading as Euronext Dublin (the “**Irish Stock Exchange**”) for the Notes to be admitted to the official list (the “**Official List**”) and trading on its regulated market (the “**Main Securities Market**”).

Arranger for the Programme

BCS Prime Brokerage Limited

Sole Dealer

BrokerCreditService (Cyprus) Limited

THE DATE OF THIS DRAWDOWN PROSPECTUS IS 15 MAY 2018

The Issuer accepts responsibility for the information contained in this Drawdown Prospectus. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Drawdown Prospectus is to be read in conjunction with the base prospectus dated 22 December 2017 (the “**Base Prospectus**”) and the Supplement to the Base Prospectus. Where there is any inconsistency between the Base Prospectus and this Drawdown Prospectus, the language used in this Drawdown Prospectus shall prevail. The Base Prospectus, the Supplement to the Base Prospectus, the audit report and audited consolidated financial statements of the Issuer in respect of the year ended 2016 (set out on pages 9 to 57 of the 2016 report and consolidated financial statements (the “**Annual Report**”) of the Issuer) (the “**2016 Financial Statements**”) and the interim unaudited consolidated financial statements of the Issuer in respect of the period ended 30 June 2017 (set out on pages 11 to 56 of the interim unaudited consolidated financial statements of the Issuer (the “**Interim Report**”)) (the “**2017 Interim Statements**”) shall be incorporated in, and form part of, this Drawdown Prospectus. The Base Prospectus is available on the Irish Stock Exchange's website and can be accessed as follows: http://www.ise.ie/debt_documents/Final%20Base%20Prospectus_145a7ff3-1483-46db-8861-fb85071f99d7.PDF?bcsi_scan_3a9fd5b29d5605d3=x61E35imrm8dESkEqtgF56Jnp8UuAAAAtybdJg==&bcsi_scan_filename=Final%20Base%20Prospectus_145a7ff3-1483-46db-8861-fb85071f99d7.PDF. The Supplement to the Base Prospectus is available on the Irish Stock Exchange's website and can be accessed as follows: http://www.ise.ie/debt_documents/Final%20Supplement_d05ca7fe-561f-4ce9-b67b-e30d2119cffd.pdf.

The Annual Report can be accessed on the website of the Issuer as follows: <http://bcs-sp.com/f/fin/report-and-consolidated-financial-statements-2016.pdf>. The Interim Report can be accessed on the website of the Issuer as follows: <http://gawling.com/f/unaudited-interim-financial-statements-170101-170630.pdf>. The 2016 Financial Statements and the Interim Report have been filed with the Central Bank of Ireland.

Information in the Annual Report (other than information contained in audit report and the 2016 Financial Statements) and information in the Interim Report (other than information contained in the 2017 Interim Statements) are not incorporated in this Drawdown Prospectus as such information is either not relevant or provided elsewhere in the Drawdown Prospectus.

This Drawdown Prospectus comprises a prospectus in respect of the Notes issued under the Programme for the purposes of Article 5.4 of Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State (as defined below)) and the expression 2010 PD Amending Directive means Directive 2010/73/EU (the “**Prospectus Directive**”).

Neither the Dealer nor the Arranger has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealer as to the accuracy or completeness of the information contained in this Drawdown Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes. Neither the Dealer nor the Arranger accepts liability in relation to the information contained in this Drawdown Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes.

The information on the underlying reference entities and reference obligations has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the underlying fund shares, no facts have been omitted which would render the reproduced information

inaccurate or misleading. The Issuer will not provide any post-issuance information with respect to the fund shares.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Drawdown Prospectus or any further information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer or the Arranger.

In connection with the issue and sale of the Notes, neither the Issuer nor its Affiliates will, unless agreed to the contrary in writing, act as a financial adviser to any Noteholder.

Neither this Drawdown Prospectus nor any other information supplied in connection with the Programme or the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as recommendations by the Issuer, Dealer or the Arranger that any recipient of this Drawdown Prospectus or any other information supplied in connection with the Programme should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Drawdown Prospectus nor any other information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of the Issuer, Dealer or Arranger to any person to subscribe for or to purchase any of the Notes.

The delivery of this Drawdown Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date of this Drawdown Prospectus or that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Dealer nor the Arranger expressly undertakes to review the financial condition or affairs of the Issuer during the life of the Programme. Prospective investors should review, *inter alia*, the most recently published audited annual unconsolidated financial statements and unaudited semi-annual interim unconsolidated financial statements of the Issuer, when deciding whether or not to purchase any of the Notes.

This Drawdown Prospectus does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such offer or a solicitation by anyone not authorised so to act.

The distribution of this Drawdown Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Drawdown Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Drawdown Prospectus and the offer or sale of the Notes in the European Economic Area (“EEA”) (and certain member states thereof), Japan and the United States.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or jurisdiction of the United States. Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act (“**Regulation S**”).

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Notes are freely transferable, subject to the offering and selling restrictions in the Russian Federation, the Republic of Cyprus and under the Prospectus Directive and the laws of any jurisdiction in which the relevant Notes are offered or sold.

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SUMMARY OF THE ISSUE

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

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

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

Section A – Introduction and warnings

Element	Title	
A.1	Introduction:	<i>This summary must be read in conjunction with the Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference. Following the implementation of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, including any information incorporated by reference or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member States, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</i>
A.2	Consent:	Not Applicable. This is not a public offer and the Issuer does not consent to the use of this Drawdown Prospectus in connection with any public offer of the Notes.

Section B - Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer:	BrokerCreditService Structured Products plc (the “ Issuer ”)
B.2	Domicile and legal form of the Issuer:	<p>The Issuer was incorporated in the Republic of Cyprus as a limited liability company under the Cyprus Companies Law, Cap. 113, having its registered office at 116 Gladstones Street, M. Kyprianou Tower, 3rd-4th floors, 3032, Limassol, Cyprus.</p> <p>The Issuer was converted to a public limited company under section 31 of the Cyprus Companies Law on 14 May 2015.</p>
B.4b	Trends:	Not Applicable. There are no trends.
B.5	The Group	<p>The Issuer is a special purpose vehicle which acts as an investment and financing company for the Group and issues Notes under the Programme.</p> <p>The Issuer is a subsidiary of FG BCS LTD (together with its consolidated subsidiaries, the “Group”). The other direct subsidiaries of FG BCS LTD are BCS Prime Brokerage Limited, BrokerCreditService (Cyprus) Limited, Siberian Investments LLC, BCS Americas, Inc, BCS-Forex Ltd, Kertina Group LTD, Seldthorn Private Equity Limited and BCS Investment Management Ltd.</p> <p>Oleg Mikhasenko is the ultimate beneficial owner of the Group.</p> <p>FG BCS Ltd. is incorporated and domiciled in Cyprus.</p> <p>The Issuer is a trading company and acts as the Group's operational company in Cyprus.</p> <p>The Issuer has two subsidiaries. These subsidiaries are Routa Luxury Services Ltd. and Botimelo Group Ltd.</p> <p>Each of the Issuer's Subsidiaries is established to carry on any trade or activity whatsoever related to, connected with or involving shares, stock, debentures, debenture stock, bonds, notes, obligations, warrants, options, derivatives, commodities and any other instruments related to equity, debt or commodities of all kinds (except for investment activity that requires authorisation and/or a licence).</p>
B.9	Profit forecast:	Not Applicable. The Issuer does not have a profit forecast.
B.10	Audit report qualifications:	Not Applicable. There are no qualifications in the audit report.

Element	Title	
B.12		
Selected historical key information		
Comparative Annual Financial Data - In EUR		
	For the year ended 31/12/2016 (audited)	For the year ended 31/12/2015 (audited)
Dividend income	790,377	138,889
Loan interest income	17,451,645	9,471,793
Net gain/(loss) on trading in financial instruments	(18,783,065)	21,028,842
Net gain/(loss) realised on trading in foreign currencies	74,172,470	(141,218,002)
Interest income from bonds	151,145,322	57,125,672
Interest income from reverse repurchase agreements	49,603,821	60.976,395
Interest expense from bonds	(125,099,226)	(48,245,131)
Loan interest expense	(5,223,229)	(7,843,689)
Interest expense on payables under repurchase agreements	(63,524,185)	(53,232,562)
Change in fair value of derivative financial instruments	(22,687,984)	58,557,483
Administration and other expenses	(19,984,300)	(9,662,534)
Operating profit / (loss)	93,976,770	(70,663,928)

Net finance income	(15,257,512)	(27,728)
Net profit	78,719,258	(8,247,426)
	As at 31/12/2016 (audited)	As at 31/12/2015 (audited)
Non-current assets	107,760,973	67,454,237
Current assets	4,106,063,324	1,842,310,274
TOTAL assets	4,213,824,297	1,909,764,511
Non-current liabilities	72,302,053	31,505,179
Current liabilities	3,975,710,001	1,819,216,596
TOTAL liabilities	4,048,012,054	1,850,721,775
TOTAL equity	165,812,243	59,042,736
Comparative Interim Financial Data – In EUR		
	For the 6 months ended 30/06/2017 (unaudited)	For the 6 months ended 30/06/2016 (unaudited)
Dividend income	3,586,762	5,155,211
Loan interest income	7,094,285	1,301,693
Net (loss) / gain on trading in financial instruments	2,439,546	(4,589,166)
Net gain / (loss) realised on trading in foreign currencies	(38,384,748)	14,855,312
Interest income from bonds	22,471,753	10,587,195
Interest income from repo loans	29,673,996	1,563,945
Interest expense from	(11,151,776)	(6,937,787)

bonds		
Loan interest expense	(6,758,054)	(2,098,380)
Interest expense from repo loans	(53,518,829)	(2,411,469)
Other operating income	11,026,170	-
Profit / (loss) from investing activities	2,519,497	25,989,801
Change in fair value of derivative financial instruments	28,142,049	(18,391,917)
Operating profit / (loss)	(2,752,658)	24,363,266
Net finance (costs) / income	19,110,518	(4,949,704)
Net profit	16,357,538	19,416,562
	As at 30/06/2017 (unaudited)	As at 30/06/2016 (unaudited)
Non-current assets	180,562,746	50,864,415
Current assets	3,011,283,978	754,726,041
TOTAL assets	3,191,846,724	805,590,456
Non-current liabilities	397,983,195	66,805,497
Current liabilities	2,621,687,926	641,688,460
TOTAL liabilities	3,019,671,121	708,493,957
TOTAL equity	172,175,603	97,096,499
<i>Statements of no significant or material adverse change</i>		

There has been no significant change in the financial or trading position of the Issuer since 30 June 2017, being the date of publication of its latest unaudited consolidated interim financial statements. There has been no material adverse change in the prospects of the Issuer since 31 December 2016.

B.13	Recent Events:	Not Applicable. There are have been no recent events.
B.14	Dependence upon other entities within the Group:	<p>The Issuer has not entered into any formal arrangement pursuant to which it receives support from any other member of the Group and is not dependent upon any other member of the Group in carrying out its day-to-day business or otherwise.</p> <p>Please also refer to item B.5 above.</p>
B.15	Principal activities:	<p>The Issuer acts as an investment and financing company and conducts trading operations in the international securities markets (except for the investment activity that requires authorisation and/or license).</p> <p>This includes entering into transactions with market counterparties and related parties that are members of the Group. These transactions include, but are not limited to repo transactions, loans and transactions in securities in the international capital markets including exchanges and Over-the-Counter ("OTC") markets. The Issuer also conducts investment activities in different types of bonds of both Russian and international issuers.</p>
B.16	Controlling persons:	<p>The majority of the issued share capital of the Issuer is owned by FG BCS LTD of Prevezis, 13, 1st floor, Flat/Office 101, 1065, Nicosia, Cyprus, it holds 99.96% of the issued shares.</p> <p>The ultimate shareholder owning and controlling the Issuer is Oleg Mikhasenko, who is also the sole ultimate beneficial owner of the group.</p>
B.17	Ratings assigned to the Issuer or its Debt Securities:	<p>The Issuer has recently been assigned a credit rating of 'B+' by Standard & Poor's Financial Services LLC ("S&P"). The rating criteria of S&P provide that such issuer credit rating is a forwardlooking opinion about an obligor's overall creditworthiness. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation (including for the avoidance of doubt, any Notes issued by the Issuer under the Programme), as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. Standard & Poor's Financial Services LLC is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation") and the rating it has given to the Issuer is not endorsed by a credit rating agency established in</p>

		the EEA and registered under the CRA Regulation. The Notes will not be rated.
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Section C - Notes

Element	Title	
C.1	Description of type and class of Securities:	The Notes are issued as Series number 2018-6. Tranche number One and Tranche number two.
		<p><i>Security identification Number(s):</i></p> <p>ISIN Code: XS1801889830</p> <p>Common Code: 180188983</p>
C.2	Currency of the Securities Issue:	The Notes are denominated in US Dollars
C.5	Free transferability:	The Notes will be freely transferable, subject to the offering and selling restrictions in the Russian Federation, the Republic of Cyprus and under the Prospectus Directive and the laws of any jurisdiction in which the relevant Notes are offered or sold.
C.8	The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:	<p>Notes issued under the Programme will have terms and conditions relating to among other matters:</p> <p><i>Status of the Notes</i></p> <p>Notes will be issued on an unsubordinated basis.</p> <p>Status of the Notes: The Notes constitute direct, general and unconditional obligations of the Issuer which rank at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.</p>
		<p><i>Events of Default</i></p> <p>The terms of the Notes will contain events of default including non-payment, non-performance or non-observance of the Issuer's obligations in respect of the Notes and the insolvency or winding up of the Issuer,</p> <p><i>Meetings</i></p> <p>The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not</p>

Element	Title	
		<p>attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p><i>Taxation</i></p> <p>Ail payments in respect of Notes will be made free and clear of withholding taxes of the Republic of Cyprus, as the case may be, unless the withholding is required by any law and/or regulation.</p> <p><i>Governing law</i></p> <p>The Notes, the Agency Agreement (as amended or supplemented from time to time), the Deed of Covenant and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement (as amended or supplemented from time to time) and the Deed of Covenant are governed by and shall be construed in accordance with English law.</p>
C.9	The Rights Attaching to the Securities (Continued), Including Information as to Interest, maturity, Yield and the Representative of the Holders:	<p><i>Interest</i></p> <p>The Notes are Zero Coupon Notes. The Notes will not bear interest other than in the case of late payment.</p>
		<p><i>Redemption</i></p> <p>The Notes may be redeemed early for tax reasons at the Early Redemption Amount calculated in accordance with the Conditions or, at the option of the issuer or at the option of the Noteholders at the Optional Redemption Amount. The Optional Redemption Amount in respect of each nominal amount of Notes shall be calculated by the Calculation Agent equal to the sum of:</p> <ul style="list-style-type: none"> (i) the Reference Price (specified in Part A (<i>Contractual Terms</i>) of this Drawdown Prospectus) plus (ii) the product of the Accrual Yield (specified in Part A (<i>Contractual Terms</i>) of this Drawdown Prospectus) (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the Optional Redemption Date.
		<p>Notes may be cancelled or redeemed early if the performance of the Issuer's obligations under the Notes has become illegal or by reason of force majeure or act of slate it becomes impossible or</p>

Element	Title	
		impracticable for the Issuer to perform its obligations under the Notes and/or any related hedging arrangements.
		<p>Indication of yield</p> <p>Due to the nature of the Notes it is not possible to determine a yield as of the Issue Date.</p>
		<p>Representative of Noteholders</p> <p>No representative of the Noteholders has been appointed by the Issuer.</p> <p>Please also refer to item C.8 above for rights attaching to the Notes.</p>
C.10	Derivative Component:	<p>There is no Derivative Component in respect of the Notes</p> <p>Please also refer to Elements C9 above.</p>
C.11	Listing and Trading:	<p>Application will be made to the Irish Stock Exchange plc trading as Euronext Dublin for the Notes to be admitted to the official list (the “Official List”) and trading on its regulated market (the “Main Securities Market”).</p>

Section D - Risks

Element	Title	
D.2	Risks Specific to the Issuer:	<p>The Issuer is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds as set out below.</p> <p>Market price risk</p> <p>Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Issuer’s available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Issuer’s market price risk is managed through diversification of the investment portfolio.</p> <p>Interest rate risk</p> <p>Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Issuer to cash</p>

		<p>flow interest rate risk. Borrowings issued at fixed rates expose the Issuer to fair value interest rate risk. The issuer's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.</p> <p><i>Credit risk</i></p> <p>Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Issuer has no significant concentration of credit risk. The Issuer has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Issuer has policies to limit the amount of credit exposure to any financial institution.</p>
		<p><i>Liquidity risk</i></p> <p>Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Issuer has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.</p> <p><i>Currency risk</i></p> <p>Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Issuer's measurement currency. The Issuer is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and Russian Roubles. The Issuer's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.</p> <p><i>Capital risk management</i></p> <p>The Issuer manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Issuer's overall strategy remains unchanged from last year.</p>
D.3	Risks Specific to the Notes:	<p>In addition to the risks relating to the Issuer (including the default risk) that may affect the Issuer's ability to fulfil its obligations under the Notes, there are certain factors which are material for the purposes of assessing the market risks associated with Notes issued under the Programme, including that (i) the</p>

		Notes are unsecured obligations, (ii) the trading market for Notes may be volatile and may be adversely impacted by many events, (iii) an active secondary market may never be established or may be illiquid and that this may adversely affect the value at which an investor may sell its Notes (investors may suffer a partial or total loss of the amount of their investment), (iv) the Notes may be redeemed prior to maturity at the option of the Issuer which may limit their market value, (v) the Notes may be redeemed in the case of illegality or impracticability and such cancellation or redemption may result in an investor not realising a return on an investment in the Notes, (vi) the meetings of Noteholders provisions permit defined majorities to bind all Noteholders or (vii) any judicial decision or change to an administrative practice or change to English law after the date of the Base Prospectus could materially adversely impact the value of any Notes affected by it.
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Section E - Offer

Element	Title	
E.2b	Reasons for the Offer and Use of Proceeds	The net proceeds from the issue of the Notes will be used for the general financing purposes of the Issuer.
E.3	Terms and Conditions of the Offer:	The Issue Price of the Notes is 68.21 per cent of their principal amount.
E.4	Interests Material of the Issue:	<p>The Issuer has appointed BrokerCreditService (Cyprus) Limited as the Dealer for the Programme. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, The Dealer is set out in the Dealer Agreement between the Issuer and the Dealer.</p> <p>The Dealer may be paid fees in relation to any issue of Notes under the Programme. The Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and their Affiliates in the ordinary course of business.</p> <p>Various entities within the Group (including the Issuer) and Affiliates undertake different roles in connection with the Notes, including Issuer of the Notes, Calculation Agent of the Notes.</p> <p><i>Non-Syndicated Issue:</i> The Issuer has appointed</p>

		BrokerCreditService (Cyprus) Limited (the “ Dealer ”) as Dealer in respect of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by. Dealer are set out in the Dealer Agreement made between, amongst others, the Issuer and the Dealer
E.7	Estimated Expenses	No expenses will be chargeable by the Issuer to an Investor in connection with any offer of Notes. Any expenses chargeable by an Authorised Offeror to an Investor shall be charged in accordance with any contractual arrangements agreed between the Investor and such Authorised Offeror at the time of the relevant offer.

RISK FACTORS

Prospective investors in the Notes should consider carefully the information contained in this Drawdown Prospectus and the documents which are incorporated by reference in this Drawdown Prospectus and in particular should consider all the risks inherent in making such an investment, including the information in the section in the Base Prospectus entitled “*Risk Factors*” (the **Programme Risk Factors**), before making a decision to invest. The Issuer has identified in the Programme Risk Factors a number of factors which could materially adversely affect the business of the Issuer and its ability to make payments due under the Notes. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described in the Programme Risk Factors.

The Notes may not be a suitable investment for all investors

Each potential investor of the Notes must make its own determination of the suitability of the investment in the Notes, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, either alone or with the help of a financial adviser. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Drawdown Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (d) understand thoroughly the terms and conditions of the Notes and be familiar with the behaviour of financial markets and of any financial variable which might have an impact on the return on the Notes; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Issuer and Calculation Agent will act in their own interests

The Issuer will exercise its rights under the terms of the Notes in its own interests and those of its Affiliates, and not in the interests of investors in the Notes.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent shall (in the absence of manifest error) be final and binding on the Noteholders. In performing its duties pursuant to the Notes and making any determinations expressed to be made by it, the Calculation Agent shall act in its sole and absolute discretion and is under no obligation to act in the interests of the Noteholders, nor will it be liable to account for any profit or other benefit which may accrue to it as a result of such determinations.

Notes are Unsecured Obligations

The Notes are unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* with themselves.

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. If additional and competing

products are introduced in the markets, this may adversely affect the value of the Notes. It is not possible to predict the price at which Notes will trade in the secondary market. A lack of liquidity for the Notes may mean that investors are not able to sell their Notes or may not be able to sell their Notes at a price equal to the price which they paid for them, and consequently investors may suffer a partial or total loss of the amount of their investment.

Zero Coupon Notes are subject to higher price fluctuations than non-discounted Notes

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

Changes in market interest rates generally have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other notes having the same maturity.

If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

Holders of Notes denominated in any currency other than their domestic currency are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the Issuer or the type of Note being issued.

TERMS AND CONDITIONS OF THE NOTES

PART A - CONTRACTUAL TERMS

1. Issuer BrokerCreditService Structured Products plc
2. (i) Series Number: 2018-6
(ii) Tranche Number: Tranche One and Tranche Two
The Tranche Two Notes were consolidated to form a single series with the Tranche One Notes and the relevant Clearing System recognises the Tranche Two Notes to be fungible with the Tranche One Notes effective as of the Issue Date of the Tranche Two Notes
(iii) Fiscal Agency: Applicable
3. Specified Currency: United States Dollars (“USD”)
4. Aggregate Nominal Amount:
(i) Series: USD 300,000,000
(ii) Tranche: USD 300,000,000
5. Issue Price of Tranche: In respect of (i) the Tranche One Notes 68.21 per cent of the Aggregate Nominal Amount; and (iii) the Tranche Two Notes 68.25 per cent of the Aggregate Nominal Amount
6. Minimum Trading Size: Not Applicable
7. (i) Specified Denominations: USD 100,000
(ii) Calculation Amount: USD 100,000
8. (i) Issue Date and Interest Commencement Date: In respect of (i) the Tranche One Notes, 11 April 2018; and (ii) the Tranche Two Notes, 13 April 2018.
(ii) Interest Commencement Date (if different from the Issue Date): Not applicable
9. Maturity Date: 11 April 2028 (the “**Scheduled Maturity Date**”) or if that is not a Business Day the immediately succeeding Business Day
10. Form of Notes: Registered
11. Interest Basis: Zero Coupon

12.	Coupon Switch:	Not Applicable
13.	Redemption/Payment Basis:	Redemption at par
14.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
15.	Put/Call Options:	Put Option and Call Option (further particulars specified below)
16.	Settlement Currency:	Not Applicable
17.	Knock-in Event:	Not Applicable
18.	Knock-out Event:	Not Applicable
19.	Method of distribution:	Non-syndicated
20.	Hybrid Securities:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

21.	Interest:	Not Applicable
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VALUATION METHODOLOGIES FOR COUPON PAYMENTS

22.	Payout Conditions:	Not Applicable
23.	Fixed Rate Provisions:	Not Applicable
24.	Floating Rate Provisions:	Not Applicable
25.	Screen Rate Determination:	Not Applicable
26.	ISDA Determination:	Not Applicable
27.	Zero Coupon Provisions:	Not Applicable
	(i) Accrual Yield:	3.9 per cent. per annum
	(ii) Reference Price:	68.21 per cent of the Aggregate Nominal Amount
28.	Index Linked Interest Provisions:	Not Applicable
29.	Share Linked Interest Provisions:	Not Applicable
30.	Commodity Linked Interest Provisions:	Not applicable
31.	Fund Linked Interest Provisions:	Not applicable
32.	ETI Linked Interest Provisions:	Not Applicable

33.	Foreign Exchange (FX) Rate Linked Interest Provisions:	Not Applicable
34.	Underlying Interest Rate Linked Interest Provisions:	Not Applicable
35.	Credit Linked Notes:	Not Applicable
36.	Additional Business Centre(s):	Not Applicable

PROVISIONS RELATING TO REDEMPTION

37.	Final Redemption Amount:	Calculation Amount x 100 per cent.
38.	Final Payout:	Not Applicable

VALUATION METHOD FOR REDEMPTION PAYMENT:

39.	Payout Conditions:	Not Applicable
40.	Automatic Early Redemption:	Not Applicable
41.	Issuer Call Option:	Applicable
	(i) Optional Redemption Date(s):	11 April in each year from (and including) 11 April 2019
	(ii) Notice Period:	Not less than 15 Business Days nor more than 30 Business Days prior to the relevant Optional Redemption Date.
	(iii) Optional Redemption Valuation Date(s):	Not Applicable
	(iv) Optional Redemption Amount(s):	Notwithstanding Condition 6(c), the Optional Redemption Amount shall be an amount equal to the sum of: <ul style="list-style-type: none"> (i) the Reference Price; plus (ii) the product of the Accrual Yield (specified in paragraph 27(i) above) (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the Optional Redemption Date.
	(v) If redeemable in part:	Not Applicable
42.	Put Option:	Applicable
	(i) Optional Redemption Date(s):	11 April in each year from (and including) 11 April 2019
	(ii) Optional Redemption Valuation	Not Applicable

Date(s):

- (iii) Optional Redemption Amount(s) Notwithstanding Condition 6(e), the Optional Redemption Amount shall be an amount equal to the sum of:
- (i) the Reference Price (specified in paragraph (27(ii) above); plus
 - (ii) the product of the Accrual Yield (specified in paragraph (27(i) above) (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the Optional Redemption Date
43. Aggregation: Not Applicable
44. Index Linked Redemption Amount: Not Applicable
45. Share Linked Redemption Amount: Not Applicable
46. Commodity Linked Redemption Amount: Not Applicable
47. Fund Linked Redemption Amount: Not Applicable
48. Credit Linked Notes: Not Applicable
49. ETI Linked Redemption Amount: Not Applicable
50. foreign Exchange (FX) Rate Linked Redemption Amount: Not Applicable
51. Underlying Interest Rate Linked Redemption Amount: Not Applicable
52. Early Redemption Amount:
- Early Redemption Amount(s): As per Condition 2(a)
53. Provisions applicable to Physical Delivery: Not Applicable
54. Variation of Settlement:
- (i) Issuer's option to vary settlement: The Issuer does not have the option to vary settlement in respect of the Notes.
 - (ii) Variation of Settlement of Physical Delivery Notes: Not Applicable

GENERAL PROVISIONS RELATING TO THE NOTES

55. Form of Notes: Registered Notes

Global Registered Note exchangeable for Individual Note Certificates in the limited circumstances described in the Global Registered Note

New Global Note:

No

Additional Financial Centre(s) or other special provisions relating to payment dates:

London, New York, Moscow, Limassol

Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

No.

56. 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, if different from those specified in the Temporary Global Note, consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable

57. Details relating to Notes redeemable in instalments: amount of each instalment, date on which each payment is to be made: Not Applicable

58. Calculation Agent: BrokerCreditService (Cyprus) Limited

59. Date board approval for issuance of Notes obtained: In respect of (i) the Tranche One Notes, 10 April 2018; and (ii) the Tranche Two Notes, 12 April 2018

Signed on behalf of the Issuer:

By: 

Duly authorised

PART B - OTHER INFORMATION

1. Listing and Admission to trading

- | | | |
|------|---|---|
| (i) | Listing and admission to trading: | Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin for the Notes to be admitted to trading on the Main Securities Market with effect from on or about the Issue Date. |
| (ii) | Estimate of total expenses related to admission to trading: | EUR 3,141.20 |

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Dealer and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

3. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | | |
|-------|---------------------------|---|
| (i) | Reasons for the offer | See the “ <i>Use of Proceeds</i> ” wording in the Base Prospectus |
| (ii) | Estimated net proceeds: | USD 100,000,000 |
| (iii) | Estimated total expenses: | Nil |

4. OPERATIONAL INFORMATION

ISIN:	XS1801889830
Common Code:	180188983
Delivery	Delivery against payment
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

5. DISTRIBUTION

- | | | |
|-------|--|--|
| (i) | Method of distribution: | Non-syndicated |
| (ii) | If syndicated: | Not Applicable |
| (iii) | If non-syndicated, name and address of Dealer: | BrokerCreditService (Cyprus) Limited (address: Spyrou Kyprianou & 1 Octovriou, 1 Vashiotis Kalande Offices, 1 st floor Mesa Geitonia, 4004, Limassol, Cyprus) |

- | | | |
|------|--|---|
| (iv) | indication of the overall amount of the underwriting commission and of the placing commission: | Not Applicable |
| (v) | US Selling Restrictions

(Categories of potential investors to which the Notes are offered): | Reg. S Compliance Category 2; TEFRA: Not applicable |
| (vi) | Public Offer: | Not applicable |

TERMS AND CONDITIONS OF THE OFFER

- | | |
|--|----------------|
| Offer Price: | Not Applicable |
| Conditions to which the offer is subject: | Not Applicable |
| Description of the application process: | Not Applicable |
| Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | Not Applicable |
| Details of the minimum and/or maximum amount of application: | Not Applicable |
| Details of the method and time limits for paying up and delivering the Notes: | Not Applicable |
| Manner in and date on which results of the offer are to be made public: | Not Applicable |
| Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | Not Applicable |
| Whether tranche(s) have been reserved for certain countries: | Not Applicable |
| Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | Not Applicable |
| Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | Not Applicable |
| Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. | Not Applicable |

PROHIBITION ON SALES TO EEA

RETAIL INVESTORS

Prohibition on Sales to EEA Retail Investors	Not applicable
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TAXATION

The statements herein regarding taxation are based on the laws in force in the Russian Federation, the Republic of Cyprus and the United States as of the date of this Base Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax adviser as to each of the EU Directive on the Taxation of Savings Income, the Russian, the Cypriot and the U.S. tax consequences as applicable of any investment in or ownership and disposal of the Notes.

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Russian Taxation

Taxation of the Notes

General

The following is an overview of certain Russian tax considerations relevant to the purchase, ownership and disposal of the Notes. The overview is based on the laws of the Russian Federation in effect on the date of this Base Prospectus, which are subject to potential change (possibly with retroactive effect). The overview does not seek to address the applicability of, and procedures in relation to, taxes levied by regions, municipalities or other non-federal authorities of the Russian Federation. Nor does the overview seek to address the availability of double tax treaty relief in respect of the Notes, and it should be noted that there may be practical difficulties, including satisfying certain documentation requirements, involved in claiming double tax treaty relief. Prospective investors should consult their own advisers regarding the tax consequences of investing in the Notes. No representations with respect to the Russian tax consequences of investing, owning or disposing of the Notes to any particular Noteholder is made hereby.

The provisions of the Russian Tax Code applicable to Noteholders and transactions involving the Notes are ambiguous and lack interpretive guidance. Both the substantive provisions of the Russian Tax Code applicable to financial instruments and the interpretation and application of those provisions by the Russian tax authorities may be more inconsistent and subject to more rapid and unpredictable change than in jurisdictions with more developed capital markets or more developed taxation systems. In particular, the interpretation and application of such provisions will in practice rest substantially with local tax inspectorates.

In practice, interpretation by different tax inspectorates may be inconsistent or contradictory and may constitute the imposition of conditions, requirements or restrictions not provided for by the existing legislation. Similarly, court rulings on tax or related matters by different Russian courts relating to the same or similar circumstances may also be inconsistent or contradictory.

For the purposes of this overview, the term “**Resident Noteholder**” means:

- a Noteholder (the “**Resident Noteholder–Legal Entity**”) who is (1) a Russian legal entity or an organisation; or (2) a legal entity or an organisation, in each case organised under a non-Russian law, which acquires, holds and disposes of the Notes through its permanent establishment in Russia (as defined by Russian tax law); or (3) a foreign organisation recognised as being Russian

tax resident in accordance with the requirements set out in the Russian Tax Code. A foreign organisation shall be deemed to be a tax resident of the Russian Federation for the purposes of the Russian Tax Code if (1) it is deemed to be a tax resident of the Russian Federation in accordance with an applicable double tax treaty, and (2) its place of management is in the Russian Federation, unless a different conclusion follows from an applicable double tax treaty; and

- a Noteholder who is an individual and who satisfies the criteria for being a Russian tax resident (the “**Resident Noteholder–Individual**”). A “Russian tax resident” is an individual who is present in the Russian Federation for 183 calendar days or more (in aggregate) in any period comprised of 12 consecutive months. Presence in Russia for Russian personal income tax residency purposes is not considered interrupted if an individual departs from Russia for short periods of time (less than six months) for medical treatment, education purposes, completion of employment or other duties related to work (rendering services) at offshore hydrocarbon fields.

For the purposes of this summary, a “**Non-Resident Noteholder**” means:

- a Noteholder which is a legal entity or an organisation, in each case not organised under Russian law, which acquires, holds and disposes of the Notes otherwise than through its permanent establishment in Russia, and does not satisfy the criteria for being a Russian tax resident as defined above (the “**Non-Resident Noteholder–Legal Entity**”); and
- a Noteholder who is an individual and does not satisfy the criteria for being a Russian tax resident as defined above (the “**Non-Resident Noteholder–Individual**”).

For the purposes of this overview, the definitions of “Resident Noteholder” and “Non-Resident Noteholder” in respect of individuals are taken at face value, based on the wording of Russian tax law as written as at the date of these Listing Particulars. In practice, however, the application of the above formal residency definition may differ based on the position of the Russian tax authorities. The law is currently worded in a way that implies that there is potential for a split year residency for individuals. However, both the Russian Ministry of Finance and the Russian tax authorities have expressed the view that an individual should be either tax resident or non-resident in the Russian Federation for the full calendar year, and consequently, even where the travel pattern dictates a differing tax residency status for a part of the tax year, the application of the residency tax rate may in practice be disallowed.

Although the Russian Tax Code states that tax residency for individuals depends exclusively on the number of days spent in Russia, the Federal Tax Service has issued several private clarifications promulgating a view that besides the number of days of physical presence, such factors as permanent home and centre of vital interest (a country where family or business is located), must be taken into account for the purposes of determination of tax residency. Although there are insufficient legislative grounds for this position, we may not exclude the risk of challenge of non-resident status for individuals who do not meet the physical presence test for residents but have ties (property, family, business, etc.) to Russia.

Tax residency rules and the Russian Federation’s rights with regard to taxation may be affected by the applicable double tax treaty.

Non-Resident Noteholders

A Non-Resident Noteholder should not be subject to any Russian taxes on receipt from the Issuer of amounts payable in respect of principal, premium or interest on the Notes.

Under existing Russian tax legislation, a Non-Resident Noteholder generally should not be subject to any Russian taxes in respect of gain or other income realised on a redemption, sales or a disposal of the Notes

outside the Russian Federation, provided that the proceeds of such sale, redemption, or other disposal of the Notes are not received from a source within the Russian Federation. However, in the absence of a clear definition of what constitutes income from sources within Russia in the case of the sale of securities, there is a risk that the income from a disposition of the Notes (including any accrued and paid interest) may be considered as received from Russian sources for Non-Resident Noteholders.

The acquisition of the Notes by Non-Resident Noteholder–Legal Entities (whether upon their issue or in the secondary market) should not constitute a taxable event under Russian tax law. Consequently, the acquisition of the Notes should not trigger any Russian tax implications for the Non-Resident Noteholders–Legal Entities.

In the event that proceeds from sales, redemption or a disposal of the Notes are received from a source within the Russian Federation, currently a Non-Resident Noteholder–Legal Entity should not be subject to Russian tax in respect of such proceeds, provided that no portion thereof is attributable to accrued interest. There is a risk that any portion of such sales proceeds attributable to accrued interest may be subject to Russian withholding tax on income at the rate of 20 per cent. subject to any available double tax treaty relief, even if the disposal itself results in a capital loss. In order to enjoy the benefits of an applicable double tax treaty, documentary evidence is required prior to payment being made to confirm the applicability of the double tax treaty under which benefits are claimed. Non-Resident Noteholder–Legal Entities should consult their own tax advisers with respect to possibility of obtaining a respective double tax treaty relief.

The acquisition of the Notes by Non-Resident Noteholders–Individuals may constitute a taxable event for Russian personal income tax purposes, pursuant to the provisions of the Russian Tax Code relating to the material benefit (deemed income) received by individuals as a result of the acquisition of securities (in case the Notes are initially issued at par, these provisions are likely to be relevant for the acquisitions of the Notes in the secondary market only). In particular, if the acquisition price of the Notes is below the lower margin of the fair market value of the Notes calculated under a specific procedure for the determination of market prices of securities for tax purposes, the difference may become subject to the Russian personal income tax at the rate of 30 per cent. (or such other tax rate as may be effective at the time of acquisition), arguably subject to reduction or elimination under the applicable double tax treaty.

Under the Russian tax legislation, the taxation of income derived by Non-Resident Noteholders–Individuals will depend on whether this income qualifies as received from Russian or non-Russian sources. Since the Russian Tax Code does not contain any provisions in relation to how the related material benefit should be sourced, in practice the Russian tax authorities may infer that such income should be considered as Russian source income, if the Notes are purchased “in Russia”. In the absence of any additional guidance as to what should be considered as a purchase of securities “in Russia”, the Russian tax authorities may apply various criteria to determine the source of the related material benefit, including looking at the place of the conclusion of the acquisition transaction, the location of the Issuer, or other similar criteria. Therefore, there is no assurance that as a result any material benefit received by the Non-Resident Noteholders–Individuals in connection with the acquisition of the Notes will not become taxed in Russia.

The Non-Resident Noteholders–Individuals generally should not be subject to any Russian taxes in respect of the payment of interest on the Notes received from the Issuer. The taxation of interest on the Notes may however be affected by the taxation treatment of any income from the sale of the Notes.

Non-resident Noteholder–Individuals should not be subject to any Russian taxes in respect of any gains or other income realised on a redemption, sale or other disposal of the Notes outside of Russia, provided that

the proceeds of such sale, redemption, or disposal are not received from a source within Russia. Subject to any available tax treaty relief, if the receipt of any proceeds from the disposition of the Notes by a Non-Resident Noteholder–Individual is classified as income from a source within the Russian Federation for Russian personal income tax purposes and, as such, will be subject to Russian personal income tax at the rate of 30 per cent. (or such other tax rate as may be effective at the time of payment) on the gross amount of the proceeds from a disposition of the Notes (including accrued and paid interest on the Notes) less any available duly documented cost deductions.

Since the Russian Tax Code does not contain any additional guidance as to when the sale or disposal proceeds should be deemed to be received from Russian sources, in practice the Russian tax authorities may assert that such income should be considered as Russian source income if the Notes are sold or disposed of “in Russia”. In the absence of any additional guidance as to what should be considered as a sale or other disposal of securities “in Russia”, the Russian tax authorities may apply various criteria in order to determine the source of the sale or other disposal, including looking at the place of the conclusion of the transaction, the location of the purchaser, or other similar criteria. Therefore, there is no assurance that as a result, sale or disposal proceeds received by the Non-Resident Noteholders–Individual will not become taxed in Russia.

The tax will apply to the gross amount of sale or disposal proceeds received upon the disposition of the Notes (including accrued and paid interest on the Notes) decreased by the amount of any available duly documented cost deductions (including the original acquisition costs and other documented expenses related to the acquisition, holding and sale or other disposal of the Notes), provided that such documentation is duly executed. There is a risk that, if the documentation supporting the cost deductions is deemed insufficient by the Russian tax authorities, the immediate deduction will be disallowed and Russian personal income tax will apply to the gross amount of sale or disposal proceeds.

In certain circumstances, if sale or other disposal proceeds (including accrued and paid interest on the Notes) are paid to a Non-Resident Noteholder–Individual by a licensed broker or an asset manager that is a Russian legal entity or organisation carrying out operations under an asset management agreement, a brokerage service agreement, an agency agreement, a commission agreement or a commercial mandate agreement for the benefit of the Non-Resident Noteholder–Individual, the applicable personal income tax at the rate of 30 per cent. (or such other tax rate as may be effective at the time of payment) should be withheld at source by such person, who will be considered as the tax agent.

The amount of tax withheld will be calculated after taking into account any available documented deductions for the original acquisition costs and related expenses on the acquisition, holding and sale or other disposal of the Notes to the extent such deductions and expenses can be determined by the entity making the payment of income to a Non-Resident Noteholder–Individual. If the costs arose in connection with the acquisition of the Notes within the relationship with the party other than the tax agent who is obliged to calculate and withhold Russian personal income tax under this agreement, the original duly documented acquisition costs may be taken into account by the tax agent upon the written application of the Noteholder and the presentation of the documents confirming the costs.

Where a sale is made to other legal entities, organisations (other than licensed brokers or asset managers as mentioned in the preceding paragraph) or individuals, generally no Russian personal income tax should be withheld at source by these persons. The Non-Resident Noteholder–Individual would then be required to file a personal income tax return, report on the amount of income realised to the Russian tax authorities and apply for a deduction in the amount of acquisition and other expenses related to the acquisition, holding and sale or other disposal of the Notes confirmed by the supporting documentation. The applicable personal income tax would then have to be paid by the Non-Resident Noteholder–Individual on the basis of the filed personal income tax return.

Under certain circumstances, gains received and losses incurred by a Non-Resident Noteholder–Individual as a result of the sale or other disposal of the Notes and other securities of the same category (i.e. securities qualified as traded or non-traded for Russian personal income tax purposes), occurring within the same tax year, may be aggregated for Russian personal income tax purposes, which would affect the total amount of income of a Non-Resident Noteholder–Individual subject to taxation in Russia.

There is also a risk that any gain derived by a Non-Resident Noteholder–Individual from the sale or other disposal of the Notes may be affected by changes in the exchange rate between the currency of acquisition of the Notes, the currency of the sale or other disposal of the Notes, and Russian roubles. For personal income tax purposes, deductible costs and proceeds from a disposition of the Notes are converted into Russian roubles at the exchange rate of the Central Bank of Russia as of the date when the costs were incurred and the proceeds were received. This may result in taxable income in Russian rouble terms due to a devaluation of the Russian rouble (whereas in foreign currency terms there might be no gain or even capital loss).

Non-Resident Noteholders–Individuals should consult their own tax advisors with respect to tax consequences arising in connection with the disposal of the Notes, including the receipt of sale or other proceeds from a source within Russia upon the sale or other disposal of the Notes.

Resident Noteholders

A Russian Noteholder is subject to all applicable Russian taxes and responsible for complying with any documentation requirements that may be established by law or practice in respect of gains from disposal of the Notes and interest income received on the Notes. Resident Noteholders should consult their own tax advisers with respect to their tax position regarding the Notes.

Pursuant to Russian tax legislation in case payments made to Russian entities are treated as dividends in the state of source of such payments, they should be treated as dividends also for Russian tax purposes, regardless as to how they could be qualified under the Russian law. Consequently, in case any payments or any portion of payments could be treated as dividends under applicable foreign law (including, *inter alia*, Cypriot law), the following tax consequences may arise for Resident Noteholders.

Dividends paid to a Resident Noteholder–Legal Entity or Resident Noteholder–Individual will be generally subject to Russian tax at the rate of thirteen per cent. Dividends received by Resident Noteholders–Legal Entities from the qualified Russian and foreign companies are taxable at the rate of zero per cent. This participation exemption is available with respect to companies in which (i) the participation of the parent company is not less than 50 per cent., and (ii) the participation has been held for more than 365 days, and (iii) the company is not a resident of one of the jurisdictions included into the list of tax havens by the Russian Ministry of Finance. According to clarifications of the Russian tax authorities, it may be possible to claim that the thirteen per cent. tax rate should apply to dividends paid to a Russian permanent establishment of a foreign organisation, based on the non-discrimination provisions of double tax treaty between Russia and the country of tax residency of the respective foreign organisation. As the Russian Tax Code doesn't specifically provide for the application of the reduced tax rate in such situations and the application of the treaty based non-discrimination cases is still rare in Russian practice, no assurance can be given that claims for the application of thirteen per cent tax rate would not be challenged by the Russian tax authorities.

Given the lack of practice relating to taxation of payments that are treated as dividends under the foreign law, one there is a the risk that tax authorities could argue the applicability dividend tax rates, if under Russian law the payments would be treated differently and would be taxed at the higher rates. There is also uncertainty as to how the Resident Noteholder should confirm that relevant payments (portions of

payments) are treated as dividends under the foreign law and what mechanism of payment of tax should be applied in such case.

Prospective Resident Noteholders should consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes.

Tax Treaty Relief

Advance Treaty Relief

The Russian Federation has concluded double tax treaties with a number of countries and honours some double tax treaties concluded by the former Union of Soviet Socialist Republics. These double tax treaties may contain provisions that allow for the reduction or elimination of Russian income tax due with respect to income received by Non-Resident Noteholders from Russian sources, including income relating to the acquisition, holding, sale and disposal of the Notes (if this income is treated as income from Russian sources). To the extent that double tax treaty benefits are available, in order to obtain them, such Non-Resident Noteholders must comply with the certification, information and reporting requirements in force in the Russian Federation (relating, in particular, to the confirmation of the entitlement and eligibility to the treaty benefits).

In order to make use of the double tax treaty benefits, a Non-Resident Noteholder–Legal Entity which has the actual right to receive income (i.e. who qualifies as a “beneficial owner of income”) should provide the tax agent with a tax residency certificate and confirmation of its beneficial entitlement to income before the date of the income payment.

Starting from 2016, in order to apply for a tax exemption or a payment of tax at a reduced tax rate under the respective double tax treaty, a Non-Resident Noteholder–Individual should provide a passport of a foreign citizen to the tax agent in order to prove his/her tax residency status in the foreign jurisdiction. If this document is not sufficient to prove the residency status, the tax agent will request that the Non-Resident Noteholder–Individual provides a tax residency certificate issued by the competent authorities in his/her country of residence for tax purposes. It is not clear whether, under the new law, Russian citizens may enjoy an exemption from taxation at source under the respective double tax treaty.

It is not clear from the law how the tax agent shall determine whether a passport is sufficient to confirm the individual’s eligibility for double tax treaty benefits.

Upon the payment of income which is subject to a tax exemption or withholding at a reduced tax rate under the respective double tax treaty, the tax agent is obliged to submit information to the tax authorities on foreign individuals (passport details and citizenship) and income (type of income, amount of income and date of payment) within 30 days.

Where there is an absence of a tax agent, the procedure for the elimination of the double taxation of Non-Resident Noteholders–Individuals is not explicitly indicated in the Russian Tax Code.

Non-resident Noteholders should consult their own tax advisers with regard to the possibility of tax treaty relief, and the procedures that are required to be fulfilled for obtaining such relief, with respect to any Russian taxes imposed in respect of income received in connection with the acquisition, holding and the sale or other disposal of the Notes, as well as interest on income and payments under the Guarantee.

Refund of Tax Withheld

If Russian withholding tax on income derived from Russian sources by a Non-Resident Noteholder–Legal Entity was withheld at source, a claim for a refund of the Russian income tax that was excessively withheld at source can be filed by that Non-Resident Noteholder–Legal Entity with the Russian tax

authorities within three years following the year in which the tax was withheld, provided such Non-Resident Noteholder–Legal Entity is entitled to the benefits of the applicable double tax treaty allowing it to not pay the tax, or allowing it to pay the tax at a reduced tax rate in relation to such income. There is no assurance that such refund will be possible in practice.

If Russian personal income tax applicable to income derived from Russian sources by a Non-Resident Noteholder–Individual for whom double tax treaty relief is available was withheld at source, despite the right of the Non-Resident Noteholder–Individual to rely on the benefits of the applicable double tax treaty allowing them to not pay the tax in Russia, or allowing them to pay the tax at the reduced rate in relation to this income, a claim for a refund of Russian personal tax which was excessively withheld at source and an application of the benefits of the applicable double tax treaty, together with a passport of a foreign individual/tax residency certificate issued by the competent authorities in his/her country of residence may be filed by that Non-Resident Noteholder–Individual with the tax agent within three years following the tax year when the corresponding income was received. In the absence of a tax agent withholding the Russian personal income tax under consideration (e.g. in the case of a liquidation of the tax agent), such an application for a refund may be filed with the Russian tax authorities within the same period (three years from the date when the tax was paid) accompanied by the Russian tax return, a tax residency certificate and the relevant documents proving tax withholding to the Russian tax authorities. There can be no assurance that the tax agent and/or the Russian tax authorities will refund this tax in practice.

Although the Russian Tax Code arguably contains an exhaustive list of documents and information to be provided by a foreign person to the Russian tax authorities for tax refund purposes, the Russian tax authorities may, in practice, require a wide variety of documentation confirming a right of a Non-Resident Noteholder–Individual to obtain the tax relief available under the applicable double tax treaty. Such documentation may not be explicitly required by the Russian Tax Code and may, to a large extent, depend on the position of the local representatives of the tax inspectorates.

Obtaining a refund of Russian taxes that were excessively withheld at source is likely to be a time consuming process and, in practice, no assurance can be given that such a refund will be granted to a Non-Resident Noteholder which is an individual.

Non-Resident Noteholders should consult their own tax advisors regarding the possibility of tax treaty relief and the procedures required to be fulfilled in order to obtain treaty relief in practice, with respect to any Russian taxes imposed on income received by a Non-Resident Noteholder upon the acquisition, holding and sale or other disposal of the Notes, as well as payments under the Guarantee.

Tax might be withheld on disposals of the Notes in the Russian Federation, reducing their value

If a non-resident Noteholder that is a legal entity or organisation, which in each case is not organised under Russian law and which holds and disposes of the Notes otherwise than through a permanent establishment in the Russian Federation, sells the Notes and receives proceeds from a source within the Russian Federation, there is a risk that any part of the payment that represents accrued interest may be subject to a 20 per cent. Russian withholding tax (even if a disposal is performed at a loss). The foreign Noteholder may be entitled to a reduction of such Russian withholding tax under an applicable double tax treaty.

Where proceeds from a disposal of the Notes are received from a source within the Russian Federation by a non-resident Noteholder that is an individual, there is a risk that Russian withholding tax would be charged at a rate of 30 per cent. on gross proceeds from such disposal of the Notes less any available cost deduction. There is no assurance that advance double tax treaty relief would be granted to an individual and obtaining a refund can involve considerable practical difficulties. The imposition or risk of

imposition of this withholding tax could adversely affect the value of the Notes. See “*Taxation – Russian Taxation*”.

Cypriot Taxation

The following is a summary based on the laws and practices currently in force in the Republic of Cyprus regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile. Foreign taxes may be credited against personal income liability.

Tax residency and tax basis

Individuals

An individual is considered to be a tax resident of Cyprus if he or she is a resident and physically present in the Republic of Cyprus for an aggregate total of more than 183 days in one year.

Companies

A company is considered to be tax resident in the Republic of Cyprus if its management and control is exercised in Cyprus. There is no definition in the Cyprus income tax laws as to what constitutes “management and control”. In practice, the Organisation for Economic Co-operation and Development (“OECD”) Model Tax Convention definition of “resident of a contracting state” is followed by the Cyprus tax authorities. “Resident of a contracting state” is defined as “any person who, under the laws of that state, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature” and “where a person other than an individual is a resident of both contracting states, it shall be deemed to be a resident only of the state in which its place of effective management is situated”. The OECD’s commentary regarding the Model Tax Convention states: “The place of effective management is the place where key management and commercial decisions that are necessary for the conduct of the entity’s business as a whole are in substance made. The place of effective management will ordinarily be the place where the most senior person or group of persons (for example a board of directors) makes its decisions, the place where the actions to be taken by the entity as a whole are determined; however, no definitive rule can be given and all relevant facts and circumstances must be examined to determine the place of effective management. An entity may have more than one place of management, but it can have only one place of effective management at any one time”.

A company is regarded as having a “permanent establishment” in Cyprus if it has a fixed place of business through which the trade of the business is carried out fully or partially, and including a management base, a branch or an office.

Tax basis

All Cyprus tax residents are taxed on their worldwide income. Non Cyprus tax residents are taxed on income derived from sources in Cyprus or from a business activity which is carried out through a permanent establishment in Cyprus.

Interest Payments

Residents/Permanent Establishments: Subject to the below in relation to individuals, interest payments made to residents of Cyprus may be subject to special defence contribution tax in Cyprus at a rate of 30

per cent, if such interest is characterised as “passive” income. If the interest is characterised as “active” income, it is not subject to any special defence contribution taxes. “Active” income is the income accrued from activities directly related to or closely connected with the ordinary course of business. “Passive” income is the income directly or indirectly from activities that generate investment income.

The concept of the “non-domiciled” person has, as of July 2015, been introduced into Cyprus tax law. This means that individuals that are not domiciled in Cyprus will not be subject to special defence contribution tax.

Special defence contribution tax is now only applicable to Cyprus tax residents who are also domiciled in Cyprus. Cyprus tax residency for individuals is determined by the number of days each person spends in Cyprus in each calendar year (183 days).

Prior to the introduction of this concept, special defence contribution tax was applicable to those who were Cyprus tax residents, and was applied on certain types of worldwide income.

An individual is considered as domiciled in Cyprus by way of domicile of origin or domicile of choice.

It must also be noted that an individual who has spent 17 out of the last 20 years as a tax resident of Cyprus will be considered to be domiciled in Cyprus, irrespective of his domicile of origin. Furthermore, an individual who has Cyprus as his or her domicile of origin shall be deemed as not domiciled in Cyprus, provided he was not a Cyprus tax resident for at least 20 years before the year he or she became a tax resident in Cyprus. Finally, an individual who has acquired and maintains a domicile of choice outside of Cyprus, provided he was not a resident of Cyprus for any period of at least 20 continuous years prior to becoming a tax resident in Cyprus, shall also be deemed as not domiciled in Cyprus.

Taxation of Interest Income

Resident Individuals

Interest income received by a resident individual who is also domiciled in Cyprus is wholly exempt from income tax. However, such interest income is subject to a special defence contribution tax at the rate of 30 per cent.. Where the interest arises from the ordinary business activities or is closely related to the ordinary activities of an individual it shall be subject to income tax and not to special contribution for defence.

Please note the summary provided immediately above in relation to the concept of the “non-domiciled” person, which has recently been introduced into Cypriot tax law, whereby individuals that are not domiciled in Cyprus will not be subject to special defence contribution tax.

Resident Legal Entities/Permanent Establishments

Any interest received that is deemed to be of an “active” nature will be subject to corporation income tax in Cyprus at a rate of 12.5 per cent. (after deduction of expenses wholly and exclusively incurred for the production of income) and will be exempt from the special defence contribution tax.

Any interest received that is deemed to be of a “passive” nature will be subject to a 30 per cent. special defence contribution tax on the total amount.

Other taxes

Profits realised from the sale of the Notes are exempt from taxation in Cyprus. Interest income is, however, subject to the treatment discussed directly above.

Stamp duty

Cyprus levies stamp duty on every instrument (agreement or document) irrespective of the place it was drafted if:

- it relates to any property situated in Cyprus; or
- it relates to any matter or thing which is performed or done in Cyprus.

There are instruments (agreements or documents) which are subject to stamp duty in Cyprus at a fixed fee (ranging from EUR 1.00 to EUR 35.00) and instruments which are subject to stamp duty based on the value of the instrument as follows:

- For instruments with a value of EUR 1.00 up to EUR 5,000 there is no stamp duty payable.
- For instruments with a value between EUR 5,001 up to EUR 170,000 the stamp duty payable is of EUR 1.50 for every EURO 1,000 or a part of the EUR 1,000.
- For contracts with a value over EUR 170,000 the stamp duty payable is EUR 2.00 for every EUR 1,000 or a part of the EUR 1,000 with a maximum stamp duty (i.e. cap) of EUR 20,000.

Where more than one documents/agreements are used in the same transaction, only the main document will usually attract stamp duty calculated on the basis of the above formula and the remaining documents may be considered as ancillary documents on which a nominal amount of stamp duty at the rate of EUR 2.00 per document will be levied.

The obligation to pay stamp duty arises irrespective of whether the instrument is executed in Cyprus or abroad.

Ireland

The following is a summary based on the laws and practices currently in force in Ireland of Irish withholding tax on interest and addresses the tax position of investors who are the absolute beneficial owners of the Notes. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only and do not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of Interest thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source yearly interest. The Issuer will not be obliged to withhold Irish income tax from such payments so long as such payments do not constitute Irish source income. Interest paid on the Notes may be treated as having an Irish source if:

- the Issuer is resident in Ireland for tax purposes; or
- the Issuer has a branch or permanent establishment in Ireland, and the assets relating to the Notes are attributed to such an Irish branch or agency of the Issuer; or
- the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or (if the Notes are in bearer form) the Notes are physically held in Ireland.

It is anticipated that: (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer does not and will not have a branch or permanent establishment in Ireland; and (iii) bearer Notes will not be physically located in Ireland and the Issuer will not maintain a register of any registered Notes in Ireland.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) on any interest, dividends or annual payments payable out of or in respect of the stocks, funds, shares or securities (such as the Notes) of a company not resident in Ireland, where such interest, dividends or annual payments are collected or realised by a bank or encashment agent in Ireland.

Encashment tax does not apply where the holder of the Notes is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

Taxation of Receipts

Notwithstanding that a Noteholder may receive payments of interest, premium or discount on the Notes free of Irish withholding tax, the Noteholder may still be liable to pay Irish income or corporation tax (and in the case of individuals, the universal social charge) on such interest if (i) such interest has an Irish source, (ii) the Noteholder is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there may also be a social insurance (PRSI) liability for an individual in receipt of interest on the Notes), or (iii) the Notes are attributed to a branch or agency of the Noteholder in Ireland. Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

Relief from Irish income tax may be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

Capital Gains Tax

A holder of Notes will not be subject to Irish tax on capital gains realised on a disposal of Notes unless (i) such holder is either resident or ordinarily resident in Ireland; or (ii) such holder carries on a business or a trade in Ireland through a branch or agency in respect of which the Notes were used or held or acquired.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions if either: (i) the donor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland; or (ii) if the Notes are regarded as property situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual: (i) has been resident in Ireland for the five consecutive tax years preceding that date; and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer Notes are generally regarded as situated where they are physically located at any particular time. Notes in registered form are property situate in Ireland if the register is in Ireland. The Notes may, however, be regarded as situated in Ireland regardless of their physical location if they secure a debt due by an Irish resident debtor and/or are secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the donor or the donee/successor.

Stamp duty

As the Issuer is not registered in Ireland, stamp duty will not arise on a document effecting a transfer of the Notes so long as the relevant instrument of transfer:

- does not relate to any immoveable property in Ireland or any right over or interest in such

property; or

- does not relate to stocks or marketable notes of a company registered in Ireland (other than a company which is (i) an investment undertaking within the meaning of Section 739B of the Taxes Consolidation Act, 1997 (“TCA”) or (ii) a qualifying company within the meaning of Section 110 of the TCA..

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission's proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary’ market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

GENERAL INFORMATION

Authorisations

The Programme and the issuance of Notes thereunder was authorised by resolutions of the directors of the Issuer passed on or around the date of this Drawdown Prospectus. The Issuer 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.

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Drawdown Prospectus, a significant effect on the financial position or profitability of the Issuer.

Significant/Material Change

There has been no significant change in the financial or trading position of the Issuer since 30 June 2017, being the date of publication of its latest unaudited consolidated interim financial statements. There has been no material adverse change in the prospects of the Issuer since 31 December 2016.

Governing law

The Notes, the Fiscal Agency Agreement (as amended or supplemented from time to time) and the Deed of Covenant (as amended or supplemented from time to time) and any non-contractual obligations arising out of or in connection with the Fiscal Agency Agreement and the Deed of Covenant are governed by, and shall be construed in accordance with English law.

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