

Product Criteria and Collateral Criteria (Version: April 2019)

We refer to the base prospectus relating to the secured note programme of Single Platform Investment Repackaging Entity SA dated 3 April 2019 (the “**Base Prospectus**”).

As noted in the section of the Base Prospectus titled “Subscription and Sale”, the offer, sale and delivery of any Notes (as defined in the Base Prospectus) is subject to certain conditions, which are set out below. These conditions are referred to as the “Product Criteria” and the “Collateral Criteria”.

Capitalised terms used but not defined in this document shall have the meanings given to them in the Base Prospectus.

Product Criteria

1 Product Types

The Notes must fall within one of the following product types:

A. Classic Repackaging

A Note under which:

- investors receive either a fixed or floating rate of interest (floating rates based on LIBOR, EURIBOR or similar interest rate reference, including constant maturity swap rates), or no interest but an increased principal amount on maturity (i.e. zero coupon notes);
- the issue proceeds are invested by the Issuer in underlying collateral asset(s);
- the Issuer enters into a swap transaction with a Programme Swap Counterparty that is the Dealer or an Affiliate of the Dealer;
- certain of the fixed or floating interest (and/or principal) payments received by the Issuer on the underlying collateral asset(s) are paid to the swap counterparty;
- the swap counterparty pays amounts to the Issuer under the swap transaction that, together with any sums received by the Issuer on the underlying collateral asset(s) that the Issuer does not use to fund payments to the swap counterparty, are sufficient for the Issuer to meet amounts due in respect of the Notes,

and which does not contravene any of the additional restrictions set out in paragraph 2 (*Additional Restrictions*) below.

B. Index-linked Classic Repackaging

A Note under which:

- interest and/or principal payments are linked to the performance of one or more non-proprietary indices or benchmarks by way of a formula (and, for this purpose, a proprietary index shall be an index created by, for or at the request of, a Programme Dealer specifically for the purpose of being

referenced by the Notes and/or other securities or with the intention that it would be so referenced or an index that is not available to be generally licensed);

- the issue proceeds are invested by the Issuer in underlying collateral asset(s);
- the Issuer enters into a swap transaction with a Programme Swap Counterparty that is the Dealer or an Affiliate of the Dealer;
- the swap counterparty pays amounts to the Issuer under the swap transaction that, together with any sums received by the Issuer on the underlying collateral asset(s) that the Issuer does not use to fund payments to the swap counterparty, are sufficient for the Issuer to meet amounts due in respect of the Notes,

and which does not contravene any of the additional restrictions in paragraph 2 (*Additional Restrictions*) below.

C. Credit-linked Notes

A Note under which:

- interest and/or principal payments reduce upon a Credit Event of one or more Reference Entities (each as defined in the ISDA Credit Derivatives Definitions or in any other credit derivatives definitions published by ISDA from time to time);
- the issue proceeds are invested by the Issuer in underlying collateral asset(s);
- the Issuer enters into a credit default swap transaction with a Programme Swap Counterparty that is the Dealer or an Affiliate of the Dealer;
- the swap counterparty pays amounts to the Issuer under the swap transaction that, together with any sums received by the Issuer on the underlying collateral asset(s) that the Issuer does not use to fund payments to the swap counterparty, are sufficient for the Issuer to meet amounts due in respect of the Notes, but provided that, upon the occurrence of a Credit Event in respect of one or more Reference Entities (each as defined in the ISDA Credit Derivatives Definitions or in any other credit derivatives definitions published by ISDA from time to time), either (a) the amounts payable by the swap counterparty reduce or (b) the Issuer becomes required to make payment of an additional amount to the swap counterparty,

and which does not contravene any of the additional restrictions in paragraph 2 (*Additional Restrictions*) below.

Notwithstanding the above, the Issuer will not be required to invest the issue proceeds in underlying collateral asset(s) if the Issuer will use such issue proceeds to collateralise its obligations under the credit default swap transaction entered into with the relevant Programme Swap Counterparty.

D. Equity-linked Notes

A Note under which:

- interest and/or principal payments are linked to the performance of the shares of one or more corporate issuers by way of a formula;
- the issue proceeds are invested by the Issuer in underlying collateral asset(s);
- the Issuer enters into a swap transaction with a Programme Swap Counterparty that is the Dealer or an Affiliate of the Dealer;
- the swap counterparty pays amounts to the Issuer under the swap transaction that, together with any sums received by the Issuer on the underlying collateral asset(s) that the Issuer does not use to fund payments to the swap counterparty, are sufficient for the Issuer to meet amounts due in respect of the Notes,

and which does not contravene any of the additional restrictions set out in paragraph 2 (*Additional Restrictions*) below.

E. Combination Notes

A Note that represents a combination of any two or more of the types listed in paragraphs A to D above and which does not contravene any of the additional restrictions set out in paragraph 2 (*Additional Restrictions*) below.

F. Other Notes

Any other Note unanimously agreed between the Primary Programme Dealers and which does not contravene any of the additional restrictions set out in paragraph 2 (*Additional Restrictions*) below.

In respect of any of the above product types, the Issuer shall be entitled to enter into a repo or stock loan with a Programme Repo Counterparty in respect of the underlying collateral or under which the Issuer acquires securities in return for payment by the Issuer of cash (and, for such purpose, the securities acquired by the Issuer shall be deemed to be the underlying collateral for purposes of this paragraph 1), or in respect of any other combination of payments and deliveries but where the overall effect does not detract from the main economic substance of the relevant Notes as falling within one of the above product types.

2 Additional Restrictions

In addition to being one of the permitted product types set out in paragraph 1 (*Product Types*) above, all Notes must not contravene any of the following restrictions:

- (i) Notes must be specified to redeem for at least 90 per cent. of their principal amount and payments on the underlying collateral assets, swap agreement and any other agreement relating to such Notes must be such that, barring any default or other mandatory early redemption trigger or, in the case of a credit-linked note, a credit event, they would be sufficient to enable the Issuer to meet such principal repayment obligation taking into account the other scheduled payments due by the Issuer (and ignoring the operation of the limited recourse provisions for this purpose), unless:
 - (a) there is only one Note in the Series, i.e. the principal amount and denomination are equal so that there can only ever be one investor, and there is no swap agreement, repo agreement or other agreement between the Issuer and a counterparty whereby payments to the counterparty are to

be funded from the collateral assets (excluding for such purpose any payments to service providers, agents or trustees); or

- (b) the Dealer shall have obtained an opinion from legal counsel with appropriate expertise and experience in the relevant area to the effect that the issue of the relevant Notes should not cause the Issuer, or the arrangements with respect to the relevant Notes themselves, to be:

- A.** a 'collective investment scheme' as such term is defined in section 235(1) of the Financial Services and Markets Act 2000; or

- B.** an "AIF" as such term is defined in the legislation implementing Directive 2011/61/EU in Luxembourg, any jurisdiction from which the Dealer is operating and any jurisdiction into which Notes are being offered, sold or delivered by the Dealer,

(but it being acceptable in any such opinion for the relevant law firm to qualify such opinion as being not free from doubt).

- (ii) Notes cannot be physically settled (but for such purpose physical delivery following a default of the swap counterparty shall not be considered as physical settlement), save for:

- (a) where there is only one Note in the Series, i.e. the principal amount and denomination are equal so that there can only ever be one investor, and there is no swap agreement, repo agreement or other agreement between the Issuer and a counterparty whereby payments to the counterparty are to be funded from the collateral assets (excluding for such purpose any payments to service providers, agents or trustees); or

- (b) where the Dealer shall have obtained an opinion from legal counsel with appropriate expertise and experience in the relevant area to the effect that the issue of the relevant Notes should not cause the Issuer, or the arrangements with respect to the relevant Notes themselves, to be a 'collective investment scheme' as such term is defined in section 235(1) of the Financial Services and Markets Act 2000 (but it being acceptable in any such opinion for the relevant law firm to qualify such opinion as being not free from doubt).

For the avoidance of doubt, this restriction shall not prohibit a Programme Dealer from purchasing Notes in the secondary market and from selling such Notes back to the Issuer in exchange for delivery of all or some of the secured property.

- (iii) No Notes may require a Noteholder to make further payments to the Issuer, provided that this shall not prohibit any payment relating to the replacement of a swap counterparty in accordance with Condition 20 (*Replacement of Swap Counterparty*).

- (iv) In respect of a Tranche, as at the Issue Date, no offer, sale or delivery by the relevant Dealer of Notes to:

- (a) sovereigns that are not Permitted Countries; or

- (b) investors from, or government instrumentalities of, countries that are not Permitted Countries,

unless the Dealer has given a representation in substantially the same form as Clause 7.1 (*Compliance*) to SPIRE, subject always to paragraph (v) below.

- (v) As at each Dealer/Investor Trade Date, no offer, sale or delivery by the Dealer of Notes to investors who are Sanctions Restricted Persons or Sanctioned Countries, provided that this paragraph (v) shall not apply to any person if and to the extent that it is or would be unenforceable by or in respect of that person by reason of a breach of (a) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom) or (b) any similar blocking or anti-boycott law.
- (vi) The Dealer will not at any time offer, sell or deliver, or act as Dealer in respect of any Series if the Notes may at any time be offered, sold or delivered:
 - (a) in the United States (as defined in Regulation S under the U.S. Securities Act of 1933 ("**Regulation S**")); or
 - (b) to, or for the account or benefit of, any person who is (I) a U.S. person (as defined in Regulation S), (II) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934) or (III) not a Non-United States person (as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, but excluding, for the purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons).
- (vii) The Dealer will not at any time offer, sell or deliver Notes to:
 - (a) any 'retail client' (as such term is defined in point (11) of Article 4(1) of Directive 2014/65/EC, as amended from time to time);
 - (b) any natural person;
 - (c) an entity that is purchasing such Notes for the purposes of distributing such Notes to its customers or clients,provided that the Dealer may offer, sell or deliver Notes to an entity specified in paragraph (c) above if:
 - (x) the Dealer has actual knowledge of the identity of the investor(s) to whom such entity intends to distribute Notes; and
 - (y) such investor(s) do not fall within paragraphs (a) and (b) above.For the purposes of (x) and (y) above, the receipt by the Dealer of a representation from the relevant distributing entity shall not be sufficient.
- (viii) Notes must have a denomination of EUR 125,000 or above (or its equivalent).
- (ix) The Notes of a Series must rank *pari passu* with one another and no Series shall rank senior or junior to any other Series in any respect.
- (x) The Notes of a Series shall be secured on assets referable to that Series only and shall not share security with any other Series.
- (xi) Any waterfall determining the allocation of sums received from the secured property for that Series shall apply only upon a security enforcement or on a liquidation in

connection with the redemption of all or some of the Notes of the Series (but excluding for this purpose any pre-enforcement or pre-liquidation waterfall of the trustee in relation to sums received by it as holder of a covenant to pay under the trust deed or in relation thereto which provides for the basis on which the trustee will pay such sums to Noteholders).

- (xii) The Notes must not be linked to a portfolio, index or derivative that is managed or allocated on a discretionary basis by a manager or allocator (however described) appointed by the Issuer or appointed by the swap counterparty to the Issuer in respect of the swap transaction entered into in respect of the Series or an Affiliate of such swap counterparty in connection with the structuring of the Notes. Non-exhaustive examples of trades that would be caught by this limb would be managed synthetic CDOs and bespoke proprietary indices with an index allocator or index selector.
- (xiii) The terms and conditions of the Notes and each other Transaction Document relating to that Series must contain the Mandatory Provisions without amendment.

Collateral Criteria

1 Permitted Collateral

Any underlying collateral assets held by the Issuer (for the avoidance of doubt including where such assets were purchased under a repo or stock loan) in relation to a Series must comply with the following criteria:

- (i) the collateral assets must be capable of being held for the Issuer by the Custodian (which includes where the Custodian holds via a sub-custodian, nominee or depositary);
- (ii) payments on the collateral assets must be in a currency capable of being processed by the Custodian performing its custody role and by any clearing system via which the Notes and payments on them are cleared;
- (iii) the terms of the collateral assets must not impose a liability on an investor that might lead to an investor being required to make a payment (whether by way of any form of capital injection, damages indemnification, tortious claim or otherwise) to the issuer or obligor of such investment. For the avoidance of doubt, selling restrictions or any other restrictions breach of which may lead to an early redemption or forcible sale or transfer of a collateral asset or to any deduction or withholding from payments thereon shall not be captured by the prior sentence; and
- (iv) as at (a) the Issue Date relating to the relevant Series and (b) each date on which New Original Collateral is delivered in accordance with Condition 5(c) (*Substitution of Original Collateral*), the issuer of any collateral asset must be a Permitted Collateral Issuer, unless, in each case, the Dealer has given a representation in substantially the same form as Clause 7.1 (*Compliance*) to SPIRE.

2 Additional Collateral Restrictions

Notwithstanding paragraph 1 (*Permitted Collateral*) above, any collateral assets must not:

- (i) be a global depositary receipt;
- (ii) be a loan agreement (save for a freely-transferable *Schuldschein* (other than structured *Schuldschein* with non-standard terms or payoffs));
- (iii) be a share;
- (iv) be a receivable;
- (v) be a lease;
- (vi) be a unit, share or other interest in a 'UCITS' (within the meaning of Directive 2009/65/EC of the European Parliament and of the Council on the coordination of laws, regulations and administrative proceedings relating to undertakings for collective investment in transferable securities [2009] OJ L302/32, as amended from time to time) or an 'AIF' (within the meaning of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers [2011] OJ L174/1, as amended from time to time); or
- (vii) be a physical commodity (which shall include any London Metal Exchange warrant or warehouse receipt or similar which entitles the bearer or person named therein or to whom such warrant or receipt has been endorsed to demand physical delivery of a physical commodity).

Certain Additional Definitions

“Dealer/Investor Trade Date” means, in respect of a Tranche of Notes, the date on which a Programme Dealer agrees with a potential investor that, subject to obtaining the consent of SPIRE in accordance with the Settlement Procedures, such investor will purchase the Tranche of Notes from the Dealer.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury (or any successor thereto).

“Sanctioned Country” means a country or territory which is the subject of any Sanctions.

“Sanctioning Authority” means, in respect of a Programme Dealer:

- (i) such of the following authorities as have authority and jurisdiction over that Programme Dealer:
 - (a) the U.S. government or any U.S. agency or official institution thereof (including OFAC, the U.S. State Department or the U.S. Department of the Treasury);
 - (b) the United Nations Security Council;
 - (c) the E.U. or any of the governments of its member states or any agency or official institution thereof; or
 - (d) the U.K. government (including, without limitation, any of Her Majesty's Treasury, the Foreign and Commonwealth Office and the U.K. Department for Business, Innovation & Skills) or any agency or official institution thereof; and
- (ii) any other authority that that Programme Dealer reasonably determines to be relevant for a Series in respect of which it is acting as Dealer.

“Sanctions” means any law, sanction or regulation relating to terrorism or money laundering and any law, sanction, regulation or measure which restricts the export of goods or imposes other economic, financial or trade sanctions or trade embargoes and, in each case, is imposed, administered or enforced from time to time by a Sanctioning Authority.

“Sanctions List” means any of the lists of specifically designated nationals or designated persons or entities held by any Sanctioning Authority.

“Sanctions Restricted Person” means any person, entity or government instrumentality that is:

- (i) the target of any Sanctions, including, but not limited to, any person, entity or government instrumentality that is:
 - (a) named as a “Specially Designated National and Blocked Person” on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list; or
 - (b) listed on any other Sanctions List;
- (ii) located or resident in or organised under the laws of a Sanctioned Country; or
- (iii) owned, controlled by or acting for or on behalf of or at the direction of:
 - (a) any Sanctions Restricted Person; or
 - (b) a person located or resident in or organised under the laws of a Sanctioned Country.