

disregard). Purchasers of Subordinated Securities are urged to consult their own tax advisers regarding these reporting requirements.

In addition, the Code and related Treasury regulations will require any U.S. holder that directly or indirectly owns a significant portion of the voting power or value of the Issuer's equity (generally 10%, but in some cases more than 50%) to comply with certain additional reporting requirements. While it is unclear how the voting power of the Subordinated Securities would be measured for this purpose, a U.S. holder that owns less than 10% (or 50% or less, as applicable) of the Subordinated Securities should not be required to file this return. In general, a U.S. holder that is deemed to own the applicable percentage of the voting power or value of the Issuer's equity will be required to file a Form 5471 with the IRS and to supply certain information to the IRS, including with respect to the activities and assets of the Issuer and other holders of the Subordinated Securities. If a U.S. holder fails to comply with the reporting requirements, the U.S. holder may be subject to a penalty, depending on the circumstances, equal to \$10,000 for each failure to comply, subject to a maximum of \$60,000. Purchasers of Subordinated Securities are urged to consult their own tax advisers regarding these reporting requirements.

Generally, a U.S. holder of Subordinated Securities will be required to file an annual report containing such information, with respect to its interest in a PFIC, as the IRS may require. The IRS has announced that it will issue guidance with respect to the information it will require and acceptable methods of reporting such information. U.S. holders should consult their own tax advisers regarding the PFIC reporting requirements.

U.S. holders, and non-U.S. holders with certain minimum contacts with the United States, of Subordinated Securities may be required to report certain information on United States Treasury Form TDF 90-22.1 (the "FBAR") for any calendar year in which they hold such securities. The FBAR must be received by the United States Treasury by June 30 to report on accounts in the preceding calendar year, is not filed as part of an annual tax return, and the reporting requirements thereunder are not governed by the Code. Purchasers of Subordinated Securities should consult their own tax advisers regarding these reporting requirements.

Recently enacted legislation requires certain individuals filing a U.S. income tax return to disclose in an attachment to the return certain information with respect to specified foreign financial assets exceeding a dollar threshold. The requirement may also apply to domestic entities formed or availed of to hold specified foreign financial assets. Potential investors are encouraged to consult with their own tax advisors regarding the possible application of this new legislation to an investment in the Securities.

New U.S. Foreign Account Tax Compliance Rules

A U.S. law enacted in 2010 imposes a withholding tax of 30% on certain payments made to the Issuer after December 31, 2012, including potentially all interest paid on, and proceeds of sale of, U.S. Collateral Obligations not outstanding prior to March 19, 2012, unless the Issuer enters into and complies with an agreement with the IRS to collect and provide to the U.S. tax authorities substantial information regarding direct and indirect holders of the Securities. In some cases, the ability to avoid such withholding tax will depend on factors outside of the Issuer's control. In addition, the law may subject payments on a particular Security (including principal payments) to a withholding tax of 30% unless (i) each foreign financial intermediary through which such Security is held enters into such an information reporting agreement and (ii) the direct and indirect holders thereof supply the Issuer and each foreign financial intermediary through which such Security is held, if any, with information necessary to comply with such information reporting agreements. The Issuer intends to enter into an appropriate information reporting agreement with the IRS as discussed above. Each holder of Securities will be required to provide the Issuer and the Trustee with information necessary to comply with such information reporting agreements as discussed above, and holders that do not supply required information may be subjected to punitive measures, including forced transfer of their Securities. There can be no assurance, however, that these measures will be effective, and that the Issuer and holders of the Securities will not be subject to the noted withholding taxes. The imposition of such taxes could materially affect the Issuer's financial ability to make payments on the Securities or could reduce such payments.