

**LUNAR LUXEMBOURG S.A.**  
**(acting in respect of its Compartment 2020-02)**

**Issue of**  
**EUR 100,000,000 Secured Instruments due 2025**  
**under its**  
**Repackaging Programme**

**SERIES PROSPECTUS**



# LUNAR LUXEMBOURG S.A.

*a public limited liability company (société anonyme) incorporated under the laws of Luxembourg with its registered office at 46a, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies (Registre de commerce et des sociétés) under number B224665*

**(acting in respect of its Compartment 2020-02)**

**Issue of Series 2020-02 EUR 100,000,000 Secured Instruments due 2025**

**under its  
Repackaging Programme**

## **SERIES PROSPECTUS**

This document is a series prospectus (the “**Series Prospectus**”) relating to the Series 2020-02 Secured Instruments due 2025 (ISIN: XS2109317169), prepared for the purposes of Regulation (EU) 2017/1129 (the “**Prospective Regulation**”). This Series Prospectus contains information relating to the above notes (the “**Instruments**”) to be issued on 7 May 2020 by Lunar Luxembourg S.A., a public limited liability company (société anonyme) incorporated in Luxembourg (LEI: 549300VHYR3RV8D40P90) (the “**Company**”) acting in respect of its compartment 2020-02 (the “**Issuer**”). This Series Prospectus must be read in conjunction with the sections of the base prospectus dated 12 July 2019 (the “**Base Prospectus**”) incorporated by reference in this Series Prospectus relating to the Repackaging Programme (the “**Programme**”) of the Company which has been approved by the Central Bank of Ireland (the “**Central Bank**”). Unless defined herein, terms defined in the Base Prospectus have the same meanings in this Series Prospectus.

This Series Prospectus constitutes a “prospectus” for the purposes of the Prospectus Regulation.

This Series Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The Central Bank of Ireland only approves this Series Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Instruments that are subject of this Series Prospectus. Investors should make their own assessment as to the suitability of investing in the Instruments. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the Instruments to be admitted to the Official List and trading on its regulated market. There can be no assurance that any such listing will be obtained, or if obtained, will be maintained.

References in this Series Prospectus to Instruments being “listed” (and all related references) shall mean that such Instruments have been admitted to trading on the regulated market of Euronext Dublin and have been admitted to the Official List (the “**Official List**”). The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU, as amended (“**MiFID II**”).

The Instruments are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients, as defined in the rules set out in MiFID II and in the equivalent UK legislation. Prospective investors are referred to the section headed “*Prohibition of Sales to EEA and UK Retail Investors*” on page 3 of this Series Prospectus for further information.

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and are issued in bearer form that is subject to U.S. tax law requirements. Instruments may not be offered, sold or delivered at any time within the United States or to (i) U.S. persons (as defined in Regulation S under the Securities Act), (ii) U.S. persons (as defined in the final risk retention rules promulgated under Section 15G of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) or (iii) a person who comes within any definition of U.S. person for the purposes of the U.S. Commodity Exchange Act of 1936, as amended (the “**CEA**”), or any rule, guidance or order proposed or issued by the U.S. Commodity Futures Trading Commission (the “**CFTC**”) thereunder (including but not limited to any person who is not a “Non-United States person” under CFTC Rule 4.7(a)(1)(iv) and also including but not limited to a “U.S. Person” as described in and for the purposes of the CFTC’s Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed Reg. 45292 (July 26, 2013) as amended from time to time.

Arranger and Dealer

**NatWest Markets**

The date of this Series Prospectus is 5 May 2020

## IMPORTANT INFORMATION

### Information incorporated by reference

This Series Prospectus must be read in conjunction with the sections of the Base Prospectus incorporated by reference in this Series Prospectus (see the section entitled “Documents Incorporated by Reference” below). This Series Prospectus includes particulars for the purpose of giving information with regard to the issue by the Issuer of the Instruments. For the avoidance of doubt, any parts of the Base Prospectus which are not incorporated by reference into this Series Prospectus shall be considered to be non-incorporated parts of the Base Prospectus.

This Series Prospectus is valid for a period of twelve months from the date of approval. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Series Prospectus which is capable of affecting the assessment of the Instruments, prepare a supplement to this Series Prospectus. The obligation to prepare a supplement to this Series Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when the Instruments have been admitted to trading on the regulated market of Euronext Dublin.

### Responsibility statement

The Issuer accepts responsibility for the information contained in this Series Prospectus (which, for the purpose of this section of the Series Prospectus, will include the sections of the Base Prospectus incorporated by reference herein). To the best of the Issuer’s knowledge the information contained in this Series Prospectus is in accordance with the facts and does not omit anything likely to affect its import.

In addition, NatWest Markets Plc accepts responsibility for the information contained in the section entitled “*The Swap Counterparty and SL Counterparty*”. To the best of the knowledge and belief of NatWest Markets Plc, such information is in accordance with the facts and does not omit anything likely to affect its import.

The Issuer has not made any investigation with regards to the accuracy and completeness of the information under the sections entitled “*The Swap Counterparty and SL Counterparty*” in this Series Prospectus (the “**Third Party Information**”). Prospective investors in the Instruments should not rely upon, and should make their own independent investigations and enquires in respect of, the accuracy and completeness of the Third Party Information.

### No representations

No person has been authorised to give any information or to make any representation other than those contained in this Series Prospectus in connection with the issue or sale of the Instruments and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Arranger, the Dealer(s), the Trustee or any of their respective affiliates (as defined in “*Overview of the Programme*” within the Base Prospectus). Neither the delivery of this Series Prospectus nor any sale of Instruments made in connection therewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this Series Prospectus or the date upon which this Series Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date of this Series Prospectus or the date upon which this Series Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of the Arranger, the Dealer(s), the Trustee or any of their respective affiliates have separately verified the information contained in this Series Prospectus. None of the Arranger, the Dealer(s), the Trustee or any of their respective affiliates makes any representation, express or implied, or, to the fullest extent permitted by law, accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Series Prospectus or for any other statement made or purported to be made by a Dealer, the Arranger, the Trustee or any of their respective affiliates or on behalf of any of them in connection with the Issuer or the issue and offering of the Instruments. Each of the Arranger, the Dealer(s) and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Series Prospectus or any such statement.

### MiFID II Product Governance

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

### **Prohibition of Sales to EEA and UK Retail Investors**

The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (and, for the avoidance of doubt, this means any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU ("**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation or equivalent UK legislation.

### **Distribution**

The distribution of this Series Prospectus and the offering or sale of the Instruments in certain jurisdictions may be restricted by law. In particular, no action has been or will be taken by the Issuer, the Arranger, the Trustee or any Dealer(s) or any of their respective affiliates (save as specified in the relevant Series Issuance Document) which is intended to permit a public offering of the Instruments or distribution of this Series Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Instruments may not be offered or sold, directly or indirectly, and neither this Series Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws. Persons into whose possession this Series Prospectus comes are required by the Issuer, the Arranger, the Dealer(s) and the Trustee to inform themselves about and to observe any such restriction.

### **Disclaimers**

This Series Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or the Dealer to subscribe for, or purchase, any Instruments.

The Arranger and the Dealer have not separately verified the information contained in this Series Prospectus. None of the Arranger or the Dealer makes any representation, express or implied, or, to the fullest extent permitted by law, accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Series Prospectus or for any other statement made or purported to be made by a Dealer or the Arranger or on its behalf in connection with the Issuer or the issue and offering of the Instruments. Each of the Arranger and the Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Series Prospectus or any such statement.

Prospective purchasers of Instruments should have regard to the factors described under the section headed "*Risk Factors*" in this Series Prospectus. This Series Prospectus does not describe all of the risks of an investment in the Instruments and, in particular, does not contain all factors that are material risks with respect to the Underlying Collateral or the Underlying Collateral Obligor. Neither this Series Prospectus nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealer that any recipient of this Series Prospectus or any other financial statements should purchase the Instruments.

### **Language**

The language of this Series Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under the applicable law.

## CONTENTS

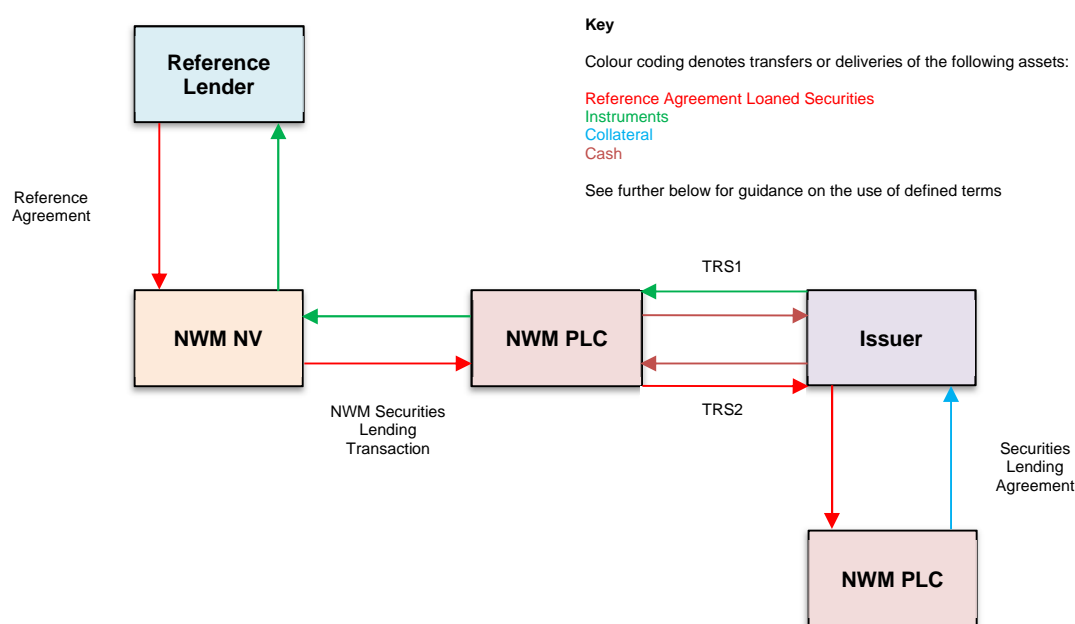
|  |     |
|--|-----|
| IMPORTANT INFORMATION.....                     | 4   |
| TRANSACTION OVERVIEW.....                      | 7   |
| RISK FACTORS.....                              | 11  |
| INVESTOR SUITABILITY .....                     | 37  |
| CONFLICTS OF INTEREST .....                    | 39  |
| DOCUMENTS INCORPORATED BY REFERENCE.....       | 41  |
| SERIES TERMS.....                              | 42  |
| DESCRIPTION OF THE UNDERLYING COLLATERAL ..... | 86  |
| THE SWAP COUNTERPARTY AND SL COUNTERARTY ..... | 95  |
| THE COMPANY .....                              | 96  |
| SUBSCRIPTION AND SALE .....                    | 100 |
| GENERAL INFORMATION.....                       | 101 |

## TRANSACTION OVERVIEW

This Series Prospectus relates to the Instruments. The Instruments form one component of a broader transaction (the “**Transaction**”) between (amongst others) the Issuer, NatWest Markets Plc (in its capacities as SL Counterparty, Swap Counterparty and Arranger), NatWest Markets N.V. and Generali Insurance Asset Management S.p.A., Società di Gestione del Risparmio, acting as agent in the name and on behalf of Generali Vie, which has its business address at 11 Boulevard Haussmann, Paris, France (in its capacity as the Reference Lender). Prospective investors should have regard to, and fully understand, each component of the Transaction before considering an investment in the Instruments.

A diagram summarising the Transaction and a description of the Transaction is set out below.

### TRANSACTION DIAGRAM:



### TRANSACTION DESCRIPTION

The Transaction consists of the following component transactions:

1. The Reference Agreement between the Reference Lender and NatWest Markets N.V. (being a securities lending agreement documented in the form of the Global Master Securities Lending Agreement (January 2010 edition), published by the International Securities Lending Association);
2. The NWM Securities Lending Transaction between NatWest Market N.V. and NatWest Markets plc;
3. Two total return swap transactions between NatWest Markets plc (as Swap Counterparty) and the Issuer (being TRS1 and TRS2); and
4. A securities lending transaction between NatWest Markets plc (as SL Counterparty) and the Issuer.

The documentation in which the key terms of the transactions listed in items 1, 3 and 4 above are disclosed in Annex 2, 3 and 4 of the Series Terms in this Series Prospectus. As more fully described below, as a result of the component transactions, the following transfers of securities will (directly or indirectly) occur:

1. The Reference Agreement Loaned Securities will be transferred from the Reference Lender to NatWest Markets plc;
2. The Instruments will be transferred from the Issuer to the Reference Lender; and

3. The Collateral Securities (as defined in the SL Confirmation) will be posted as collateral by the SL Counterparty to the Issuer pursuant to the Securities Lending Agreement.

In respect of each of the component transactions, the risk and reward of all securities transferred on the Initial Exchange Date or the Settlement Date, as the case may be (including securities transferred as collateral) remains with the transferor and each component transaction contains provisions to transfer amounts equal to amounts that would have been received under each of the securities back to the transferor. Further, in respect of each component transaction, on the Final Exchange Date, Scheduled Termination Date or Securities Lending End Date, as the case may be, the relevant securities are delivered back to the transferor.

**Explanation of key definitions**

Prospective investors should be aware that the meaning of certain key terms (including “Collateral”, “Loaned Securities” and “Equivalent Securities”) will depend on the context in which they are used. For instance, the term “Collateral” is defined in both the Reference Agreement and the Securities Lending Agreement, so may refer to the collateral posted by NatWest Markets N.V. to the Reference Lender pursuant to the Reference Agreement (which will comprise the Instruments) or the collateral posted by NatWest Markets Plc to the Issuer pursuant to the Securities Lending Agreement.

Notwithstanding the foregoing, the following summary uses the term Reference Agreement Loaned Securities in respect of each of the component transactions in order to assist the Instrumentholder’s understanding of the Transaction. Such term is not used in the documentation of the component transactions.

Save as aforesaid all defined terms used in this section have the meanings given to them in this Series Prospectus, the Master Terms and Conditions or the document to which they relate.

**Transfer of the Reference Agreement Loaned Securities:**

The Reference Agreement is a securities lending agreement (documented in the form of the Global Master Securities Lending Agreement (January 2010 edition), published by the International Securities Lending Association). Pursuant to the Reference Agreement, on the Settlement Date, the Reference Lender will deliver Loaned Securities meeting the Loaned Securities Eligibility Criteria (the “**Reference Agreement Loaned Securities**”) to NatWest Markets N.V.

NatWest Markets N.V. and NatWest Plc will enter into a back-to-back securities lending transaction (for the purposes of this section, the “**NWM Securities Lending Transaction**”) substantially the same as the Reference Agreement pursuant to which NatWest Markets N.V. will deliver the Reference Agreement Loaned Securities to the Swap Counterparty on the Settlement Date.

Pursuant to TRS2, on the Initial Exchange Date, the Swap Counterparty will deliver to the Issuer the Reference Agreement Loaned Securities to the Issuer.

Pursuant to the Securities Lending Agreement, on the Settlement Date, the Issuer will deliver the Reference Agreement Loaned Securities to the SL Counterparty.

**Substitution of Reference Agreement Loaned Securities**

Pursuant to the Reference Agreement, the Reference Agreement Loaned Securities may change from time to time as a result of (i) a Loan Increase or Loan Decrease, so that the Market Value of the Loaned Securities is not lower than or in excess of the aggregate nominal amount of the Instruments by an amount greater than the Reset Amount (ii) an optional substitution, if the Reference Lender exercises its right to require the return of Optional Substituted Securities in exchange for the delivery of Optional New Securities or (iii) a mandatory substitution, where one or more Loaned Securities no longer meet the Loaned Securities Eligibility Criteria and Mandatory Substituted Securities are returned in exchange for Mandatory New Securities.

The NWM Securities Lending Transaction, TRS2 and the Securities Lending Agreement all contain provisions such that any substitution of any Reference Agreement Loaned Securities effected in accordance with the Reference Agreement will give rise to a corresponding substitution pursuant to the terms of each of the abovementioned



|   |  |
|---|--|
|   | <p>agreements, such that a substitution under the terms of that agreement will take place. As a result of each separate transfer, the substituted securities will be returned to the Reference Lender and the new securities will be transferred to NatWest Markets plc.</p>   |
| <b>Transfer of the Instruments</b>              | <p>Pursuant to TRS1, on the Initial Exchange Date, the Issuer will deliver to the Instruments to the Swap Counterparty.</p> <p>Pursuant to the NWM Securities Lending Transaction, the Swap Counterparty will deliver the Instruments to NatWest Markets N.V. as collateral.</p> <p>Pursuant to the Reference Agreement, NatWest Markets N.V. will deliver the Instruments to the Reference Lender as collateral.</p>  |
| <b>Transfer of the Collateral Securities</b>    | <p>Pursuant to the Securities Lending Agreement, the SL Counterparty will deliver the Collateral Securities (as defined in the SL Confirmation) to the Issuer.</p>   |
| <b>Collateralisation of the Instruments</b>     | <p>The Instruments are collateralised by the Underlying Collateral (principally comprising the Collateral Securities).</p> <p>If the Instruments terminate early as a result of a No-Default Event, the SL Counterparty will redeliver securities equivalent to the Reference Agreement Loaned Securities to the Issuer pursuant to the Securities Lending Agreement subject in certain circumstances to the deduction by an amount of securities with a market value not less than the applicable Unwind Costs. The terms of the Instruments provide that Instrumentholder Settlement Option will apply in those circumstances (unless the No-Default Event has occurred as a result of a Reference Agreement Additional Redemption Event occurring as a result of an Event of Default (as defined in the Reference Agreement) in respect of the Reference Lender). If Instrumentholder Settlement Option is applicable, following the occurrence of a No-Default Event the Instrumentholder may elect physical redemption (subject to the terms of the Instruments) and thus to receive delivery of securities equivalent to the Reference Agreement Loaned Securities from the Issuer.</p> <p>If the Instruments terminate early as a result of a NWM Default Event, no redelivery of the Reference Agreement Loaned Securities to the Issuer will occur (and instead, the Securities Lending Agreement will terminate without any close-out amount being payable or any delivery obligations becoming due). The terms of the Instruments provide that Instrumentholder Settlement Option applies in those circumstances. As such, following the occurrence of a NWM Default Event the Instrumentholder may elect physical redemption (subject to the terms of the Instruments) and thus to receive delivery of the Collateral Securities held by the Issuer.</p> <p>If the Instruments terminate early as a result of an Issuer Default Event, no redelivery of the Reference Agreement Loaned Securities to the Issuer will occur (and instead, the Securities Lending Agreement will terminate on the basis that an Event of Default has occurred thereunder and a close-out amount will become due and payable, subject to reduction by an amount representing the applicable Unwind Costs). The terms of the Instruments provide that Instrumentholder Settlement Option applies in those circumstances. As such, following the occurrence of an Issuer Default Event the Instrumentholder may elect physical redemption (subject to the terms of the Instruments) and thus to receive the delivery of the Collateral Securities held by the Issuer.</p> |
| <b>Description of the Collateral Securities</b> | <p>The Collateral Securities will be determined in accordance with the terms of the Securities Lending Service Agreement (as defined below), pursuant to which Euroclear Bank SA/NV will perform certain service functions in connection with, among others, the determination of the Market Value of the Loaned Securities and Collateral Securities, the operation of the margin maintenance provisions and the substitution of Loaned Securities and Collateral Securities.</p> <p>Pursuant to the Securities Lending Service Agreement, Euroclear Bank SA/NV will transfer securities that satisfy the applicable eligibility criteria and Instrumentholders</p>   |

should familiarise themselves with the eligibility criteria which is summarised on pages 88 to 96 of this Series Prospectus. While certain concentration restrictions and haircuts may apply to the Collateral Securities, Instrumentholders should expect the Collateral Securities to consist of the lowest rated instruments available to be delivered by the SL Counterparty under the Securities Lending Service Agreement.

**Governing law**

TRS1, TRS 2, the NWM Securities Lending Transaction, the Securities Lending Service Agreement and the Reference Agreement will be governed by English law.

## **RISK FACTORS**

The Instruments are complex investments that involve substantial risks and are suitable only for sophisticated investors. See the section “Investor Suitability” below.

The risk factors below are risks that are material to the Instruments in order to assess the market risk associated with them or which may affect the Issuer’s ability to fulfil its obligations under them. Such risk factors are contingencies which may or may not occur but which the Issuer considers to be material for the taking of an informed investment decision in respect of the Instruments based on the probability of their occurrence and the expected magnitude of their negative impact.

The risk factors set out in pages 1 to 28 (inclusive) of the Base Prospectus do not form part of this Series Prospectus.

## 1. Risks relating to the Company

### 1.1 The Company is a special purpose vehicle

The Company is incorporated in Luxembourg and its only business is the issuance of Instruments for the purposes of purchasing assets and/or entering into related derivatives and other transactions within the limits of the Securitisation Law.

The Company has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Instruments or entry into of other obligations from time to time and any Mortgaged Property on which Instruments or other obligations are secured.

Accordingly, there are risks in investing in the Instruments issued by the Company which differ from risks in investing in instruments issued by a trading company with substantial assets and/or operations.

### 1.2 The Company has a Compartment structure pursuant to the Securitisation Law

The Company intends to establish several Compartments in accordance with the Securitisation Law and its Articles. Under the Securitisation Law, each Compartment is a separate and distinct part of the Company's estate (*patrimoine*) and will conduct no business operations other than the issue and repayment of the relevant Instruments and the connected transactions. In these risk factors, the Company acting in respect of one of its Compartments is referred to as the "**Issuer**".

The recourse of the Company's creditors in respect of each Compartment is limited to the assets allocated to that Compartment. This means that claims against the Company by the Secured Creditors (including the Instrumentholders) in respect of each Series of Instruments will be limited to the net proceeds of the Mortgaged Property for such Series included in the relevant Compartment. Under the Securitisation Law, the net proceeds of the Mortgaged Property for each Series are available only for distribution to the specified Instrumentholders and other creditors relating to such Series.

No person other than the Issuer will be obliged to make payments on or deliveries under the Instruments to the Instrumentholders and none of the Arranger, any Counterparty, any of their respective affiliates or any third party assumes any liability or obligation to the Instrumentholders if the Issuer fails to make a payment due under the Instruments. The Instruments are not guaranteed by any person.

### 1.3 Liabilities of the Company that are not Compartment-specific may be allocated among Compartments at the discretion of the Company and Instrumentholders may be subject to competing claims of other creditors of the Company whose claims are not related to their Compartment

Fees, expenses and other liabilities incurred on behalf of the Company, but which do not relate specifically to any Compartment may be payable out of the assets allocated to Compartments. Such liabilities shall be general liabilities of the Company and may be allocated to the Compartments, on a half year basis in arrears, to all the Compartments, on an equal basis and *pro rata temporis* for Compartments created within such half year, where the relevant issue documentation expressly authorises such creditors to have recourse against the assets allocated to such Compartments.

In respect of any Compartment, Instrumentholders may be subject to competing claims of other creditors of the Company whose claims are not related to a Compartment in relation to which the relevant Series of Instruments has been issued where (i) the claims are not Compartment-specific or (ii) a jurisdiction (other than Luxembourg) to which any assets of the Compartment are subject would not recognise the segregation of assets and liabilities between Compartments as provided for in the Securitisation Law.

The claims of other creditors may affect the amount of assets available to meet the claims of the Instrumentholders of such Series. If there is any shortfall in the amounts available from the assets of the relevant Compartment, no debt will be owed by the Company to the Instrumentholders in respect of such shortfall.

### 1.4 The Company is structured to be insolvency-remote, but it is not insolvency-proof

The Company is structured to be insolvency-remote and will contract with parties who agree not to make any application for the commencement of winding-up or bankruptcy or similar proceedings under the

Applicable Laws of any jurisdiction against the Company. The Issuer is permitted (as provided for in the Trust Deed) to contract only with parties who agree not to make any application for the commencement of winding-up or bankruptcy or similar proceedings under the Applicable Laws of any jurisdiction against the Company.

However, there is no assurance that all claims that arise against the Company will be on a non-petition basis or that such contractual provisions will necessarily be respected in all jurisdictions, in particular where claims arise from third parties that have no direct contractual relationship with the Company or if the Company fails for any reason to comply with its contractual obligations (including the obligation only to contract on a "non-petition" basis).

A creditor (including a contingent or prospective creditor) that has not accepted non-petition provisions in respect of the Company may be entitled to make an application for the commencement of insolvency proceedings against the Company. The commencement of such proceedings may entitle such a creditor to terminate contracts with the Company and claim damages for any loss suffered as a result of such early termination. If the Notes remain outstanding at the time that any insolvency proceedings are commenced, this may also lead to an early redemption of the Notes and related enforcement actions.

**1.5 In the insolvency of the Company certain creditors may be preferred to the Transaction Parties under Luxembourg law**

The Company may be declared insolvent upon petition by a creditor of the Company or the public prosecutor (*Procureur d'État*) in Luxembourg or at the request of the Company in accordance with the relevant provisions of Luxembourg insolvency law.

If as a result of such claims by the Issuer's creditors a shortfall arises, such shortfall is normally expected to be borne by the Instrumentholders and the Transaction Parties in accordance with the priority of payment provisions contained in the relevant Transaction Documents.

However, if a Luxembourg court were required to analyse the subordination and priority of payment provisions contained in the relevant Transaction Documents and the Instruments in the context of insolvency proceedings initiated against the Company, the court may disregard the rules on priority of payment provided for in such documents, and apply mandatory rules of priority of payments applicable in Luxembourg insolvency proceedings to the extent that certain third parties have legal preference rights. Such preferred creditors include the bankruptcy receiver (*curateur*) and the tax authorities.

If the court decided to disregard the contractual priority of payments, the Instrumentholders would be subordinated and would rank behind the creditors mandatorily preferred by Luxembourg law. Any claims made by such preferred creditors would also fall outside the terms of the Notes and the prescribed order of priority. This may result in the Instrumentholders receiving reduced payments under the Instruments than that they would if the priority of payments as set out in the Transaction Documents were upheld in full.

**1.6 The Company is operated by a corporate services provider**

The Company is operated by the Corporate Services Provider in accordance with the terms of the related corporate services agreement. The Corporate Services Provider is an independent, third party entity which has agreed to provide certain administrative, accounting and related services to entities of the same type as the Company. All directors of the Company are therefore employees of the Corporate Services Provider.

The operations of the Company may be adversely affected by the termination of the appointment of the Corporate Services Provider. The Company may also be adversely affected by the insolvency or bankruptcy of the Corporate Services Provider or any default, negligence or fraud on the part of the Corporate Services Provider or any of its employees or agents. This may result in delay in making payment on the Instruments which may result in losses to Instrumentholders.

**1.7 The Company may be subject to anti-money laundering legislation which if violated could materially and adversely affect the timing and amount of payments made by the Issuer**

The Company may be subject to legislation and regulations relating to corrupt and illegal payments and money laundering (including tax evasion) as well as laws, sanctions and restrictions relation to certain

individuals and countries. If the Company were determined by the relevant authorities to be in violation of any such legislation or regulations, it could become subject to significant penalties, including in certain cases criminal penalties.

Any such violation could have a material and adverse effect on the timing and amount of payments made by the Issuer to Instrumentholders in respect of the Instruments. A breach of the relevant legislation in respect of Instruments issued by a single Compartment may affect the legal and regulatory treatment of the entire Company and the Instruments issued by all other Compartments.

#### **1.8 Anti-Tax Avoidance Directive impact on the Company**

The EU has adopted the Council Directive (EU) 2016/1164 of 12 July 2016 (“**ATAD I**”) and Council Directive (EU) 2017/952 of 29 May 2017 (“**ATAD II**”) and hereafter with ATAD I collectively referred as “**ATAD**”) to combat tax avoidance practices. ATAD II broadens the hybrid mismatches situations covered by ATAD I and extends its application to third countries. ATAD I has been transposed into Luxembourg law through the law dated 21 December 2018 and certain items apply as from the fiscal year 2019. ATAD 2 has been transposed into Luxembourg law through the law dated 20 December 2019, and certain provisions of such law apply as from 1 January 2020.

The interest limitation rules and the hybrid mismatches introduced by ATAD may have an impact on the Luxembourg companies subject to corporate income tax. The Company may be taxed as a result of ATAD implementation if the Company derives income other than interest or income like interest from its underlying Collateral and if the Instruments issued or underlying Collateral is regarded as hybrid from a tax perspective. In such circumstances, ATAD would have an adverse impact at the level of the Company, this could lead to an Issuer Tax Event and an early redemption of the Instruments. Any tax due would reduce the Early Redemption Amount payable to the Instrumentholders. ATAD will apply differently to different Series of Instruments but its consequences will affect the Company rather than individual Compartments.

#### **1.9 The Company may be required to become regulated by the Luxembourg regulatory authorities**

Even though the Company is not currently regulated, there is no assurance that in the future the Company would not be required to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations in Luxembourg or other jurisdictions.

The Company may be required to be supervised by the CSSF if it issues Instruments to the public on a continuous basis. If the Company issues Instruments to professional clients within the meaning of point (10) of Article 4(1) of MiFID II or issues Instruments on a private placement basis only, the Company would be unlikely to be considered as issuing to the public and should not require supervision by the CSSF.

Any requirement to be licensed, registered, supervised or authorised could have a material and adverse effect on the Company and on the holders of the Instruments. It may result in an early redemption of the Instruments which may result in losses to Instrumentholders, or it may lead to delays in making payments on the Instruments.

### **2. Risks relating to the Instruments**

#### **2.1 The Issuer’s obligations are limited recourse**

The Instruments are direct, secured, limited recourse obligations of the Issuer. Payments due in respect of the Instruments of any Series will be made solely out of amounts received by or on behalf of the Issuer in respect of the Mortgaged Property allocated to the Compartment relating to that Series. The Issuer will have no other material assets or sources of revenue available for payment of any of its obligations under the Instruments.

#### **2.2 Decisions made by written resolution of the Instrumentholders or by Extraordinary Resolution are binding on all Instrumentholders**

The Trust Deed contains provisions for calling meetings of Instrumentholders and obtaining written resolutions on matters relating to the Instruments from Instrumentholders without calling a meeting. A written resolution signed by or on behalf of the holders of not less than 75 per cent. in principal amount of

the Instruments of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed shall be deemed to be an Extraordinary Resolution. In certain circumstances, the Issuer and the Trustee will also be entitled to rely upon approval of a resolution given by way of electronic consents communicated through the relevant clearing system.

A written resolution or an electronic consent described above may be obtained in connection with any matter affecting the interests of Instrumentholders.

These provisions permit defined majorities to bind all Instrumentholders including Instrumentholders who did not attend and vote at the relevant meeting or in respect of the relevant resolution and Instrumentholders who voted in a manner contrary to the majority.

The interests of the Instrumentholders forming the required majority may not coincide with those of other Instrumentholder and, accordingly, an Instrumentholder may be adversely affected by a decision taken without its consent by other Instrumentholders.

### 2.3 **The Trustee may, in certain circumstances, agree to modification, waivers, tap issuances and the substitution of the Issuer without the consent of the Instrumentholders**

The Trustee may, in certain circumstances and without the consent of Instrumentholders, agree to:

- modifications to any of the Terms and Conditions and any of the provisions of the Transaction Documents made pursuant to and in accordance with the requirements set out in Master Condition 9(d)(vi) (*Additional provisions relating to Regulatory Events*) or Master Condition 17(b) (*FATCA and similar information*);
- any modification of any of the Terms and Conditions or any of the provisions of the Transaction Documents that in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error;
- any other modification (except a Reserved Matter), and any waiver or authorisation of any breach or proposed breach of any of the Terms and Conditions or any provisions of the Transaction Documents that in the opinion of the Trustee is not materially prejudicial to the interests of Instrumentholders;
- amendments to the Terms and Conditions or any provision of the Transaction Documents as it determines necessary to reflect the appointment or replacement of any Agent pursuant to Clause 1 (*Agent Replacement*) of the Transaction Party Replacement Annex, provided that doing so would not, in the opinion of the Trustee, impose more onerous obligations upon it or expose it to further liabilities or reduce its rights, powers and protections;
- the substitution of another company as principal debtor under the Instruments in place of the Issuer pursuant to Master Condition 18(f) (*Substitution*); and
- tap issuances by the Issuer pursuant to Master Condition 20 (*Further issues*).

Furthermore, the Trustee may, in certain circumstances and without the consent of Instrumentholders, determine that any Event of Default or Potential Event of Default shall not be treated as such.

The actions of the Trustee described above may have a material adverse effect on the value of the Instruments.

### 2.4 **Certain investors in the Instruments are not permitted; void transfer and forced transfer**

Unless otherwise expressly specified in the terms of the Instruments, the Instruments may not be at any time offered, sold, pledged or otherwise transferred in the United States or to (i) a U.S. person (as defined in Rule 902(k)(1) of Regulation S under the Securities Act), (ii) a U.S. person (as defined in the final risk retention rules promulgated under Section 15G of the Exchange Act) or (iii) a person who comes within any definition of U.S. person for the purposes of the U.S. Commodity Exchange Act of 1936, as amended (the "**CEA**"), or any rule, guidance or order proposed or issued by the U.S. Commodity Futures Trading Commission (the "**CFTC**") thereunder (including but not limited to any person who is not a "Non-United States person" under CFTC Rule 4.7(a)(1)(iv) and also including but not limited to a "U.S. Person" as

described in and for the purposes of the CFTC's Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed Reg. 45292 (July 26, 2013) as amended from time to time) (any such person or account, a "**Non-Permitted Transferee**").

Any transfer of Instruments to a Non-Permitted Transferee or Benefit Plan Investor will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in Instruments in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Instruments, and may not receive any payments under the Instruments.

The foregoing restrictions on the offer, sale, pledge or other transfer of Instruments to a Non-Permitted Transferee or Benefit Plan Investor may adversely affect the ability of an investor in the Instruments to dispose of the Instruments in the secondary market, if any, and significantly reduce the liquidity of the Instruments. As a result, the value of the Instruments may be materially adversely affected.

**2.5 If the Instruments are in global form, Instrumentholders will rely on the clearing systems for payments**

Instruments may be represented on issue by one or more Global Instruments that may be deposited with a common depositary or common safekeeper for a clearing system. While the Instruments are represented by Global Instruments, investors will be able to trade their beneficial interests only through the relevant clearing system and its respective participants. Global Bearer Instruments may only be exchanged for definitive Bearer Instruments in very limited circumstances.

While the Instruments are represented by Global Instruments, the Issuer will discharge its payment obligation under the Instruments by making payments through the relevant clearing system. A holder of a beneficial interest in a Global Instrument must rely on the procedures of the relevant clearing system and its participants to receive payments under the Instruments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Instrument.

Holders of beneficial interests in a Global Instrument will not have a direct right to vote in respect of the Instruments so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants.

**2.6 Any system failures, IT disruption or cyber attacks may affect the Instruments**

Any payments, transfers, determinations or any other actions with respect to the Instruments may need to be processed, arranged or made by the relevant clearing system, the relevant exchange or market on which the Instruments are listed, the Issuer, the Agents or any of the other Transaction Parties. If any computer or communications systems, any market infrastructure or any related arrangements were to experience any system failures, crashes, cyber-attacks, infections with malicious software or any other types of disruption or a force majeure event, that may have an adverse effect on the ability of the relevant parties to make or process the relevant payments, arrange any relevant transfers, carry out any determinations or take any other actions that may be required under the terms of the Instruments.

The Company, being a special purpose vehicle, is particularly dependent on the systems of transaction participants to ensure that payments are made in respect of the Instruments. A failure on the part of any of the transaction participants (as well as the Issuer itself) may have a significant adverse effect on payments under the Instruments.

**2.7 Negative interest rates may apply in certain circumstances to cash funds held by the Custodian or the Trustee**

Negative interest rates may apply from time to time in certain circumstances to:

- any cash funds held by the Custodian on behalf of the Issuer (including cash funds held on behalf of the Issuer which have been transferred by the Counterparty(ies) under the Counterparty Agreement(s) or which originate from other assets transferred to the Issuer pursuant to the Counterparty Agreement(s)); and
- any cash funds held by the Trustee in respect of the Instruments.



To the extent that such negative interest rates apply, the amount of cash collateral held by the Custodian or the Trustee may be reduced. This may result in Instrumentholders suffering a loss if any Counterparty fails to pay amounts due from it under the relevant Counterparty Agreement. Instrumentholders should therefore note that unless additional amounts are transferred to the Issuer to account for any deductions of negative interest, Instrumentholders may receive less than they otherwise would have if such negative interest rate did not apply.

### **3. Risks relating to early redemption of the Instruments and any enforcement actions**

#### **3.1 The Instrumentholders will only have recourse to the Mortgaged Property**

The proceeds available for the repayment of the Instruments at any particular time may not be sufficient to cover all amounts that would otherwise be payable in respect of the Instruments. If the proceeds of the realisation of the Mortgaged Property prove insufficient to make payments or deliveries in respect of the Instruments, no other assets will be available for payment or delivery in respect of the shortfall. Following distribution of the proceeds of such realisation any outstanding claim against the Company in relation to the Instruments will be extinguished. No debt will be owed by the Company in respect of such claim.

In such circumstances holders of Instruments may lose some or all of their investment in the Instruments.

#### **3.2 The Instruments may be redeemed prior to their scheduled Maturity Date**

The Instruments may be redeemed on a date prior to the Maturity Date following the occurrence of one or more Early Redemption Events which include the following events (some of which may need to be specified in the relevant Series Terms in order for the relevant event to apply to the Instruments):

- certain events with respect to the Underlying Collateral which may include:
  - any of the Underlying Collateral being called for redemption;
  - repayment or prepayment prior to its scheduled maturity date;
  - certain failures to make payments in respect of the Underlying Collateral;
  - failure to deliver the Underlying Collateral; or
  - the conversion of the Underlying Collateral into another instrument or a redenomination of the currency in which the principal or interest of the Underlying Collateral is due to be paid;
- certain events with respect to the Underlying Collateral Obligor which may include:
  - certain failures to pay occurring in respect of an obligation of the Underlying Collateral Obligor;
  - an obligation of the Underlying Collateral Obligor becoming due and repayable prior to its scheduled maturity date;
  - a repudiation or moratorium followed by a failure to pay occurring in respect of an obligation of the Underlying Collateral Obligor;
  - an obligation of the Underlying Collateral Obligor undergoing a restructuring, a bankruptcy, insolvency, liquidation or similar event occurring in respect of the Underlying Collateral Obligor; or
  - certain events being taken by a governmental authority in respect of an obligation of the Underlying Collateral Obligor;
- certain tax events with respect to the Instruments, the Underlying Collateral or the Issuer;
- the termination of any Counterparty Agreement;
- failure to appoint a Swap Counterparty replacement or an Agent replacement;

- bankruptcy, insolvency, liquidation or similar event in respect of the Arranger (in circumstances where no replacement either may be effected or is actually effected);
- the balance of the Series Reserve Account falling below a specified level following the replacement of the Arranger;
- the value of the of the Underlying Collateral and the Swap Agreement falling to or below a specified level;
- illegality;
- certain regulatory events; and
- the additional redemption events in respect for the Instruments (see paragraph 11.2 below).

For more details with respect to the Early Redemption Events, please see the section of this Series Prospectus entitled "Description of Early Redemption Events".

An early redemption of the Instruments may result in losses to the Instrumentholders who may then receive less than the initial amount of capital invested in the Instruments.

### 3.3 **There may be adverse consequences of early redemption of Instruments and Liquidation of Collateral**

The Instruments may be redeemed early as a result of either an Early Redemption Event or an Event of Default. Unless physical settlement is applicable, the amount payable to the Instrumentholders will be calculated by reference to the liquidation proceeds of the Collateral. Instrumentholders will therefore be exposed to the market value of the Collateral (for consideration of certain factors that may impact such values see paragraph 4 below) and the actions of the Disposal Agent.

Upon early redemption of the Instruments (where physical settlement does not apply), the Disposal Agent will be responsible for liquidating the Collateral in accordance with the terms of the Disposal Agency Agreement. Except as otherwise set out in the Terms and Conditions, the Disposal Agent is permitted to sell the Collateral (or any part thereof) at any time during the liquidation period or in stages in respect of smaller amounts, and shall not have any liability for doing so if a higher price could have been obtained had such sale taken place at a different time during the relevant specified period or had or had not been sold in stages in respect of smaller amounts. The timing and method of liquidation may materially affect the price obtained in respect of the Collateral being liquidated. Accordingly, the amounts due on early redemption may be lower than the Final Redemption Amount that would otherwise be due at maturity.

If the Issuer is subject to a Bankruptcy Event of Default, to the extent that a competent bankruptcy official has been appointed in the context of the bankruptcy proceedings, such bankruptcy officer will replace the Disposal Agent and liquidate the Collateral in accordance with applicable legal and regulatory provisions. The termination of the appointment of the Disposal Agent may result in delay in realising the Collateral and in making payment on the Instruments which may result in losses to Instrumentholders.

For further details, please see the section entitled "Description of the Liquidation of Collateral, Enforcement of Security and Limited Recourse Provisions".

### 3.4 **Payments to Instrumentholders are subordinated to the claims of other Secured Creditors**

The rights of the Instrumentholders to be paid amounts due under the Instruments out of the Liquidation Proceeds or on enforcement of the Security will be subordinated to:

- amounts owing to the Counterparty(ies) in respect of certain collateral (if any) posted to the Issuer pursuant to the relevant Counterparty Agreement(s);
- other amounts owing to the Counterparty(ies) under the relevant Counterparty Agreement(s);
- the fees, costs, charges, expenses and liabilities of and all other amounts owing to the Trustee in connection with the Trust Deed, including costs incurred in the enforcement of such Security; and

- amounts owing to the Custodian, the Issuing and Paying Agent and the other Agents (including the Calculation Agent and Disposal Agent in connection with the Instruments),

and any other claims as specified in the Terms and Conditions relating to the relevant Series of Instruments, which rank in priority to the Instruments.

As a result, funds available to the Issuer in connection with the Instruments will be applied to satisfy such senior ranking payments before payments are made to Instrumentholders.

If the funds available to the Issuer to satisfy claims of all Secured Creditors are insufficient to satisfy all such claims, the amount payable to Instrumentholders will be reduced and Instrumentholders will lose some or all of their investment.

### **3.5 The Issuer's payment obligations under the Instruments will be suspended following a Potential Collateral Event or a Swap Counterparty Replacement Election**

If the Calculation Agent determines that facts exist which may, with the giving of notice and/or the lapse of time, constitute a Collateral Event (which includes certain events relating to the Underlying Collateral and/or the Collateral Obligor, as described in paragraph 3.2 below), no payment of principal or interest shall be made by the Issuer to the Instrumentholders during a suspension period (which may last up to 15 Business Day). If a Collateral Event occurs before the suspension period is over, the early redemption provisions (as described in paragraph 3.3 below) will apply. If no Collateral Event has occurred at the end of the suspension period, the amounts of interest and principal that would otherwise have been payable by the Issuer during the suspension period will become payable, but Instrumentholders shall not be entitled to any further payment as a result of such payments being postponed.

If a Swap Counterparty Replacement Election has been made following a Swap Counterparty Replacement Event, then the Issuer may give notice to Instrumentholders that no payment of principal or interest shall be made by the Issuer to the Instrumentholders during the period from and including the date that a Swap Counterparty Replacement Election is made to but excluding the earlier of (i) the date on which the Replacement Swap Agreement becomes effective and (ii) the date on which a Swap Counterparty Replacement Failure Event occurs. Five Business Days following such date, all amounts of principal and interest that would otherwise have been payable in respect of the Instruments shall be payable by the Issuer but Instrumentholders and Couponholders shall not be entitled to any further payment as a result of the postponement.

### **3.6 Only the Trustee may enforce the security over the Mortgaged Property**

Neither Instrumentholders nor Couponholders are permitted to enforce the security over the Mortgaged Property. Only the Trustee may enforce the security over the Mortgaged Property in accordance with, and subject to, the terms of the Trust Deed. The Trustee will be required to enforce the security if requested by the holders of at least one-fifth in principal amount of the Instruments, if directed by an Extraordinary Resolution or if directed by the Designated Counterparty, in each case subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction.

The interests of particular Instrumentholders (who request or direct the enforcement of the security) may not coincide with those of other Instrumentholders and the interests of the relevant Counterparty(ies) may be different from those of the Instrumentholders. Enforcement of the security on the request or direction of some of the Instrumentholders or on the direction of the Designated Counterparty may not be in the best interests of some or all of the Instrumentholders.

### **3.7 Instrumentholders have no right to take action against the Company**

The Instrumentholders are not entitled to proceed directly against the Company in relation to any breach of the terms of the Trust Deed or the Instruments. The only circumstance in which Instrumentholders may take such action is where the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails, or is unable, to do so within 60 days and such failure or inability is continuing.

### **3.8 Instrumentholders are responsible for Trustee indemnity and funding of Trustee enforcement action**

The Trustee may take certain actions in respect of a Series of Instruments, in particular if the security over the Mortgaged Property in respect of such Instruments becomes enforceable under the Terms and Conditions.

Prior to taking such action, the Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction. If the Trustee is not so indemnified and/or secured and/or pre-funded it may decide not to take such action. Such inaction will not constitute a breach by it of its obligations under the Trust Deed. Consequently, the Instrumentholders would have to either arrange for such indemnity and/or security and/or pre-funding. Instrumentholders should therefore be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding or be prepared to accept the consequences of any such inaction by the Trustee.

Any such inaction by the Trustee shall not entitle Instrumentholders to take action against the Issuer for any breach of the Trust Deed, the Instruments or the Coupons by the Issuer. As a result, Instrumentholders may have to incur additional costs and expenses (which may be substantial) in order to realise some or all of their investment in the Instruments.

### **3.9 Trustee powers may not be enforceable under Luxembourg law**

Certain powers conferred on the Trustee or on any receiver appointed by the Trustee under the Law of Property Act 1925 or the Insolvency Act 1986 may not be enforceable under Luxembourg law.

If a particular power conferred on the Trustee or a receiver is not enforceable under Luxembourg law, this may result in a delay in the realisation of the Collateral following an Enforcement Event and in making payments in respect of the Instruments. This may result in losses to the Instrumentholders.

### **3.10 Reinvestment risk relating to early redemption of the Instruments.**

Following an early redemption of the Instruments as a result of an Early Redemption Event or an Event of Default, an Instrumentholder may not be able to reinvest the proceeds in a way that generates a level of return as high as that on the Instruments and may only be able to do so at a significantly lower rate of return. Prospective investors in the Instruments should consider such reinvestment risk in light of other investments that are available to them.

## **4. Risks relating to the Collateral**

### **4.1 The value of Collateral is subject to credit, liquidity and interest rate risks**

The Collateral forms part of the security package in respect of the Instruments, and the Instrumentholders (together with certain other creditors of the Issuer) will have recourse to it if the Instruments are redeemed early. Accordingly, Instrumentholders will, upon early redemption of the Instruments, be exposed to the value of the Collateral.

The value of the Collateral relating to any Instruments will be subject to, amongst other risks, credit, liquidity and interest rate risks. If an obligor in respect of any Collateral becomes insolvent, various insolvency laws applicable to such obligor may reduce the amount the Issuer or the Trustee may recover in respect of such Collateral. As a result, reductions in the value of the Collateral may result in or increase losses to Instrumentholders.

### **4.2 Counterparty Agreements may provide for the amount of Collateral held by the Issuer to be reduced**

Pursuant to the terms of any Counterparty Agreement, the amount of Underlying Collateral held by the Issuer from time to time may be less than the amount held by it on the Issue Date, and potentially the Issuer may not hold any Collateral. This is because the Issuer may be required to transfer Underlying Collateral to the Counterparty(ies) under the relevant Counterparty Agreement(s), to collateralise any exposure of the relevant Counterparty to the Issuer and/or otherwise in accordance with the relevant Counterparty Agreement(s) in exchange for the relevant Counterparty(ies) making other payments or deliveries to the Issuer.

The Counterparty Agreement may also provide for the relevant Counterparty to deliver assets to the Issuer which may be different to the Underlying Collateral, to collateralise any exposure of the Issuer under the relevant Counterparty Agreement or to otherwise comply with the terms of the agreement. The types of

assets that may comprise Collateral held by the Issuer pursuant to any Counterparty Agreement may be less liquid and more volatile than the Underlying Collateral.

Accordingly, the value of Collateral held by the Issuer at any time after the Issue Date may be considerably lower than the value of Collateral on the Issue Date. This means that, if the Collateral were to be liquidated following the occurrence of an Early Redemption Event or an Event of Default, the liquidation proceeds may not be sufficient to pay the principal amount of the Instruments to the Instrumentholders (thereby resulting in losses to the Instrumentholders).

**4.3 If the Collateral is liquidated, the amount of the liquidation proceeds that will be received is uncertain**

If the Instruments are redeemed other than in accordance with their terms on the Maturity Date, the Collateral relating to such Instruments will be sold or otherwise liquidated. No assurance can be given as to the amount of proceeds of any sale or liquidation of such Collateral at that time. The market value of such Collateral will be affected by a number of factors including those summarised in paragraph 5.2 below.

The price at which such Collateral is sold or otherwise liquidated may be significantly less than the value of the Collateral on the Issue Date.

**4.4 No claim against any Collateral Obligor**

The Instruments will not represent a claim against the Collateral Obligor and, in the event of any loss, a Instrument holder will not have recourse under the Instruments to the Collateral Obligor.

**4.5 The price and value of the Collateral may be affected by the country of the Collateral Obligor**

The price and value of the Collateral, and/or the ability of each issuer or obligor of the Collateral to perform its obligations under the Collateral, may be adversely affected by, amongst other things, the political, financial and economic stability of:

- the country and/or region in which each issuer or obligor of the Collateral is incorporated or has its principal place of business; and
- the country the currency of which each item of Collateral is denominated.

In certain cases the price and value of assets originating from countries not ordinarily considered to be emerging markets countries may behave in a manner similar to those of assets originating from emerging markets countries.

**4.6 Collateral may include subordinated obligations of the Collateral Obligor**

The Collateral may (but is not required to) comprise subordinated obligations of the Collateral Obligor. In such case, in the event of any dissolution, liquidation or winding up of the Collateral Obligor, in bankruptcy or otherwise, the payment of principal and interest on any such subordinated Collateral will be subordinated to the prior payment in full of all the Collateral Obligor's present and future unsubordinated creditors. As a result of the subordinated nature of such Collateral, the value attributed thereto by dealers in the market is likely to be substantially less than the value attributed to unsubordinated debt obligations of the Collateral Obligor. In particular, the value of such Collateral will be affected if the Collateral Obligor is or is likely to be dissolved, liquidated or wound up and could be zero.

The value of the Collateral is an integral component of the Early Redemption Amount that will be payable on the Instruments were they to be redeemed early and will directly impact the return of the Instrumentholders upon early redemption.

**4.7 Information in respect of Collateral**

NatWest Markets and other Transaction Parties may from time to time be in possession of certain information (confidential or otherwise) in respect of the Collateral or the obligor of any Collateral and such information might, if known by an Instrumentholder, affect decisions made by it with respect to the Instruments. Notwithstanding this, neither NatWest Markets nor other Transaction Parties necessarily have any duty or obligation to notify the Instrumentholders or the Issuer or any other Transaction Parties of such information. Where NatWest Markets or any other Transaction Party is under an obligation to pass

any relevant information to the Instrumentholders, this may not be done in a timely manner. This may affect the Instrumentholder's ability to take fully informed decisions with respect to the Instruments and/or the Collateral.

## **5. Risks relating to the market and market value of Instruments**

### **5.1 Instruments will have limited liquidity**

Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities.

Illiquidity may have a severely adverse effect on the market value of Instruments.

Moreover, although pursuant to Master Condition 8(d) (*Purchases*), the Issuer can purchase Instruments, this is not an obligation for the Issuer. Purchases made by the Issuer could affect the liquidity of the secondary market of the relevant Instruments and thus the price and the conditions under which investors can negotiate these Instruments on the secondary market.

### **5.2 The market value of Instruments will be affected by a number of factors**

The events outlined above may cause the market value of the Instruments to be affected by a number of inter-related factors, including, but not limited to:

- the creditworthiness of the Issuer;
- the value and volatility of the Collateral and the creditworthiness of the issuers and obligors of any Collateral, in relation to which please refer to paragraph 4 (Risks relating to the Collateral);
- the value and volatility of any index, securities, commodities or other obligations to which payments on the Instruments may be linked, directly or indirectly, and the creditworthiness of the issuers or obligors in respect of any securities or other obligations to which payments on the Instruments may be linked, directly or indirectly;
- market perception, interest rates, yields and foreign exchange rates;
- global economic, financial and political events and factors affecting capital markets generally and the stock exchanges (if any) on which the Instruments are traded;
- the time remaining to the scheduled Maturity Date; and
- the nature and liquidity of the Counterparty Agreement(s) and the creditworthiness of the Counterparty(ies) (in relation to which please refer to paragraph 7 (Risks relating to the Counterparty(ies) and the Counterparty Agreement(s)) or any other derivative or similar transaction entered into by the Issuer or embedded in the Instruments or the Collateral.

Therefore, the price at which an Instrumentholder may be able to sell the Instruments prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

### **5.3 The lessons learned from the global financial crisis show that ineffective rating agencies and the interrelation of financial institutions could be detrimental to the Issuer and the Instruments**

In connection with the global financial crisis:

- following criticism from a number of global governmental bodies, it was evidenced that rating agencies did not downgrade entities sufficiently quickly. Although the Instruments are not expected to be rated, any ratings given to any Underlying Collateral comprising securities or any

Collateral Obligor might not reflect their deteriorating conditions and, consequently, reflect the potential losses that Instrumentholders may be subject to; and

- it has been further evidenced that financial institutions and other participants in the financial markets are interrelated. Therefore, a default by a financial institution or other participant in the financial markets, or concerns about the ability of a financial institution or other participant in the financial markets to meet its obligations, could lead to further significant systemic liquidity problems that may have a material adverse impact on other entities (including the Issuer and other Transaction Parties).

The impact of these conditions revealed by the financial crisis could adversely affect the value and liquidity of the Issuer's assets, the value of the Instruments and the ability of the Issuer to meet its obligations under the Instruments. This, in turn, may result may result in losses to Instrumentholders or in delay in making payments on the Instruments.

#### 5.4 **Risks of the United Kingdom leaving the European Union**

On 23 June 2016, the United Kingdom voted to leave the European Union and the UK Government invoked article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017. Under article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw. On 10 April 2019 this date was extended to 31 October 2019.

Following a general election on 12 December 2019, a new UK government was elected with a significant Parliamentary majority and a Withdrawal Agreement Act was enacted on 23 January 2020, implementing the revised Withdrawal Agreement. The heads of the European Commission and European Council signed the revised Withdrawal Agreement on 24 January 2020 and the European Parliament ratified the revised Withdrawal Agreement on 29 January 2020. Consequently, the UK left the EU on 31 January 2020 and entered a transition period until the end of 2020. There is significant uncertainty as to the future terms of the UK's relationship with the EU and this uncertainty may persist for a long period if the negotiations between the UK and the EU extend beyond the end of 2020. It is possible that the UK and the EU may fail to agree the terms of future relationship by the end of 2020 and the transition period may not be extended.

Due to the on-going political uncertainty as regards the terms of the UK's withdrawal from the EU and the structure of the future relationship, the precise impact on the business of the Issuer is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer (and the other parties under the Programme) to satisfy its obligations under the Instruments and/or the market value and/or the liquidity of the Instruments in the secondary market.

Currently, under the EU single market directives, mutual access rights to markets and market infrastructure exist across the EU and the mutual recognition of insolvency, bank recovery and resolution regimes applies. Depending on the terms of the UK's exit and the terms of any replacement relationship, there can be no assurance that the terms of the UK's exit from the EU will include arrangements for the continuation of mutual access rights to market infrastructure and recognition of insolvency, bank recovery and resolution regimes. Such uncertainty could adversely impact the Issuer and the value of the Instruments.

#### 5.5 **Market participants determine prices in respect of the Instruments in different ways and there may be material variation between prices determined**

Market participants may determine prices in respect of the Instruments in different ways, and the variation between such prices may be material.

Prices in respect of an Instrument provided by a Dealer may not therefore be representative of prices that may be provided by other market participants. For this reason, any price provided or quoted by a Dealer in respect of an Instrument should not be relied upon by prospective purchasers as a mark-to-market value of the Instruments.

The price (if any) provided by a Dealer is at the absolute discretion of that Dealer and may be determined by reference to such factors as it sees fit. Any such price may take into account fees, commissions or arrangements entered into by that Dealer with a third party in respect of the Instruments and that Dealer

shall have no obligation to any Instrumentholder to disclose such arrangements. Any price given would be prepared as of a particular date and time and would not therefore reflect subsequent changes in market values or any other factors relevant to the determination of the price.

#### **5.6 Adverse impact of changes in the level of the relevant benchmark referenced in an Instrument**

In respect of any Instruments for which the coupon payable by the Issuer is determined in part by reference to a benchmark:

- the interest rate payable pursuant to the Instruments will vary in accordance with the level of the benchmark
- during the term of the Instruments, the benchmark may be lower than it was as at the Issue Date; and
- the benchmark may be negative, which means that the interest rate payable may be less than the margin stated to be payable pursuant to the Instruments and could be zero.

#### **5.7 There is no assurance that the Instruments will be listed**

Where an application is made for the Instruments issued under the Programme to be listed and admitted to trading on an exchange or market, there is no assurance that such application will be accepted, that any particular Tranche of Instruments will be so admitted or that an active trading market will develop.

The Issuer may at any time discontinue any listing of the Instruments. The Issuer may arrange for the Instruments to be listed on another stock exchange or exchanges (which may be other than a regulated market). This could have adverse consequences for the Instrumentholders.

#### **5.8 Risk-adjusted returns and absolute returns on the Instruments may be lower than that of comparable investments**

Risk-adjusted returns and absolute returns on the Instruments may be lower than that of comparable investments. Each prospective investor should be aware that any return on the Instruments may not exceed or even equal the return that might have been achieved had the amount of its initial investment been placed on deposit for the same period.

#### **5.9 Impact of COVID-19**

A novel coronavirus (SARS-CoV-2) and related respiratory disease (coronavirus disease (COVID-19)) has recently emerged in China and has spread to many countries around the world, including the UK and several other European countries. The outbreak of novel coronavirus has led (and may continue to lead) to disruptions in the economies of nations where the novel coronavirus has arisen (including the UK) and may in the future arise. In addition, this outbreak and any future outbreaks could have a further adverse impact on the global economy in general, including volatility in or disruption of the credit markets, which could have a material adverse impact on the ability of the Issuer or the SL Counterparty and Swap Counterparty to meet their respective obligations under the Instruments, the Swap Agreement and/or the Securities Lending Agreement and could result in significant liquidity problems with respect to the Instruments. As the spread of the novel coronavirus is ongoing, the scope of this outbreak and any future outbreaks and its impact on the Issuer, the SL Counterparty and Swap Counterparty and/or the Instruments is not entirely clear at this time.

### **6. Risks relating to taxation**

#### **6.1 Payments to Instrumentholders will not be grossed-up**

In the event that any withholding tax or deduction for tax is imposed on payments in respect of the Instruments, the Instrumentholders will not be entitled to receive amounts which are grossed up in order to compensate for such withholding tax nor be entitled to be reimbursed for the amount of any shortfall resulting from such withholding or deduction.

In certain circumstances, the imposition of such taxes or deductions for tax may result in the Instruments being redeemed early at their Early Redemption Amount.



**6.2 Sole Instrumentholder may elect to receive payments net of withholding to avoid early redemption**

Where the Issuer would be required to make payments in respect of the Instruments to the Instrumentholders net of any withholding or other deductions for tax, an Instrument Tax Event may occur. However, 100 per cent. of Instrumentholders may elect to receive all payments due on the Instruments net of any such withholding or deductions and in such circumstances the relevant Instruments shall not be redeemed as a result of such Instrument Tax Event and the Issuer shall deduct such tax as applicable from the amounts payable to Instrumentholders.

Instrumentholders should note that any such election will bind all future holders of the Instruments and is not reversible.

Potential purchasers of Instruments in the secondary market should therefore conduct their own investigations as to whether or not such an election has been made by previous Instrumentholders.

*Additional risk factors relating to taxation may be added as necessary in addition to the taxation disclosure in the section headed "Taxation".*

**7. Risks relating to the Counterparty(ies) and the Counterparty Agreement(s)**

**7.1 The Issuer's ability to meet its obligations under the Instruments may depend on the receipt by it of payments and deliveries under the Counterparty Agreement(s)**

If the Issuer has entered into one or more Counterparty Agreements in connection with the Instruments the ability of the Issuer to meet its obligations under the Instruments will depend on the receipt by it of payments and deliveries under each such Counterparty Agreement.

Consequently, the Issuer is exposed to the ability of each Counterparty to perform its obligations under its respective Counterparty Agreement, in addition to the exposure of the Issuer to the Collateral. Default by, or certain other events affecting, any Counterparty may result in termination of the Counterparty Agreement(s) and, in such circumstances, any amount payable or deliverable to the Issuer upon such termination may not be so paid or delivered in full.

If, on termination of a Counterparty Agreement, an amount is due to the Issuer from the relevant Counterparty (after taking into account any collateral posted between the parties pursuant to the terms of the relevant Counterparty Agreement), then the Issuer will have an unsecured claim against the relevant Counterparty for such amount and, in any insolvency of the Counterparty, the Issuer's claim will rank after those claims of the Counterparty's secured and other preferred creditors.

**7.2 Payments on termination of the Counterparty Agreement(s) may be significantly less than the Instrumentholders' original investments in the Instruments and may be zero**

The Issuer or the relevant Counterparty may terminate all outstanding transactions under a Counterparty Agreement in certain circumstances specified therein. Any termination of a transaction under a Counterparty Agreement will result in a redemption in full of the relevant Series of Instruments at their Early Redemption Amount (save in certain circumstances where transactions under the Swap Agreement are terminated and a Swap Counterparty replacement has occurred).

Following the redemption of such Instruments, the amount paid or delivered to an Instrumentholder may be significantly less than such Instrumentholder's original investment in such Instruments and may be zero. Please see paragraph 3.3 above for further details.

**7.3 The receipt by the Issuer of payments and/or deliveries under the Counterparty Agreement(s) is dependent on the timely payment and/or delivery by the Issuer of its obligations under the Counterparty Agreement(s)**

The receipt by the Issuer of payments and/or deliveries under the Counterparty Agreement(s) is dependent on the timely payment and/or delivery by the Issuer of its obligations under the Counterparty Agreement(s). The ability of the Issuer to make payment and/or delivery of its obligations under the Counterparty Agreement(s) when due depends on receipt by it of the scheduled payments under and/or deliveries of the Underlying Collateral. The Issuer is therefore also exposed to the ability of the obligors of the Underlying Collateral to perform their payment and/or delivery obligations in a timely manner.

#### 7.4 **There is no assurance that the replacement of the Swap Counterparty pursuant to the Swap Counterparty replacement provisions of the Terms and Conditions will be effective**

The Terms and Conditions of a Series of Instruments may provide for the replacement of the Swap Counterparty in limited circumstances. There is no assurance that the Swap Counterparty will be replaced by any other entity. If no replacement is effected, the Instruments will be redeemed. This could occur in the following circumstances:

- 100% of Instrumentholders do not exercise the option to elect for the Swap Counterparty replacement provisions to apply;
- the Instrumentholders fail to pay the costs associated with an auction held to select a Replacement Swap Counterparty, or the auction fails;
- the Instrumentholder Representative does not comply with the requirements of any last look right;
- the "know-your-customer" checks in relation to a proposed Replacement Swap Counterparty (or in relation to the Issuer, the Trustee or any Agent) fail;
- the requisite number of Instrumentholders have not designated a valid replacement Disposal Agent (if required); and
- Instrumentholders fail to pay any required Issuer Shortfall Amount.

#### 7.5 **Risks relating to bank recovery and resolution regimes**

The Bank Recovery and Resolution Directive (Directive 2014/59/EEC, as amended, "**BRRD**") includes measures that include giving resolution authorities power to restrict claims made against a party in resolution. Following an exercise of any powers by a resolution authority, the Issuer may have insufficient assets or sums to meet its obligations under the Instruments or any Transaction Document for that Series, the Instruments may be the subject of an early redemption and any payment of redemption proceeds to Instrumentholders may be delayed. For example, if any Swap Agreement is in-the-money for the Issuer at a time when a resolution regime applies to the Swap Counterparty, then any claims the Issuer has against the Swap Counterparty for the close-out amount thereof may be adversely affected by being postponed, converted into other assets or even written down to zero.

Accordingly, following an exercise of any powers by a resolution authority, the Issuer may have insufficient assets or sums to meet its obligations under the Instruments or any Transaction Document for that Series, the Instruments may be the subject of an early redemption and any payment of redemption proceeds to Instrumentholders may be delayed. In addition to a resolution regime affecting any Counterparty, Instrumentholders should be aware that the BRRD may also apply to the obligor of any Collateral in respect of a Series of Instruments and that in such case similar considerations to those set out above may apply.

Furthermore, other resolution and recovery regimes, including those in specific EU member states, the United States and elsewhere, may also apply. As a consequence of any of the resolutions or actions referred to above, the Instrumentholders may lose all or some of their investment in the Instruments.

#### 7.6 **Risks relating to qualified financial contracts**

In September 2017, the Board of Governors of the Federal Reserve System (the "**Board of Governors**") adopted a final rule (the "**Final Rule**") imposing restrictions on the ability of a party to call a default under, or to restrict transfers of, certain qualified financial contracts ("**QFCs**") entered into by any top-tier bank holding company identified by the Board of Governors as a global systemically important banking organisation (each a "**GSIB**"), the subsidiaries of any U.S. GSIB (with certain exceptions) or the U.S. operations of any foreign GSIB (with certain exceptions) (collectively, subject to certain exceptions, "**Covered Entities**"). In respect of each Series, the Swap Counterparty, the Repo Counterparty, the SL Counterparty, the Dealer, the Custodian and the Seller may be Covered Entities to which the Final Rule applies and the Swap Agreement, the Repo Agreement, the Securities Lending Agreement, the Dealer Agreement, the Purchase Agreement and the Custody Agreement (as non-U.S. law governed contracts) are likely to constitute QFCs.

While the relevant U.S. federal banking laws and regulations (the "**U.S. Special Resolution Regimes**") provide for such restrictions on default rights and transfers, if the relevant contract is not governed by the laws of the United States or a state of the United States, a court outside the United States may decline to enforce such provisions even if a Covered Entity is in a proceeding under a U.S. Special Resolution Regime. To address this, the Final Rule requires a Covered Entity to ensure that each QFC it enters into (a "**Covered QFC**") includes provisions that (i) restrict default rights against such Covered Entity to the same extent as provided under the U.S. Special Resolution Regimes and (ii) restrict the exercise of any cross-default rights against such Covered Entity based on any affiliate's entry into bankruptcy or similar proceedings. In respect of each Series, each Transaction Document which constitutes a Covered QFC will include provisions which reflect these requirements and, as a result, the Issuer may face a delay in being able to enforce its rights against such a Transaction Party or be restricted from terminating such a Transaction Document.

**8. Risks relating to the Custodian**

**8.1 The Issuer's ability to meet its obligations under the Instruments may depend upon the receipt by it of deliveries and payments from the Custodian under the Custody Agreement**

Collateral in the form of cash or transferable securities will be held in one or more accounts in the name of the Issuer with the Custodian, and the Custodian may hold Collateral in accounts with a sub-custodian, a securities depository or a clearing system, as described in paragraphs 8.3 and 8.4 below.

Notwithstanding the security expressed to be created over the Collateral in the Trust Deed, the ability of the Issuer to meet its obligations with respect to the Instruments will be dependent upon receipt by the Issuer of payments and deliveries from the Custodian under the Custody Agreement (and in particular, the delivery of Underlying Collateral or, if relevant, the cash proceeds following its liquidation upon enforcement). Consequently, Instrumentholders are additionally exposed to the creditworthiness of the Custodian in respect of the performance of its obligations under the Custody Agreement.

**8.2 The Custodian may hold the Collateral in the Custodian's account or accounts with a sub-custodian, a securities depository or a clearing system**

Under the Custody Agreement the Custodian may hold the Collateral in the Custodian's account or accounts with any sub-custodian, any securities depository or at such other account keeper or clearing system as may be appropriate for the type of instruments which comprise the Collateral. Sub-custodians may utilise and hold securities accounts with other sub-custodians and in securities depositories in which such sub-custodians participate or are a member. Accordingly, Instrumentholders may be exposed to the risks associated with any such sub-custodian, depository or clearing system.

**8.3 Where the Collateral is held with a securities depository or clearing system (whether via the Custodian, a sub-custodian or otherwise), the ability of the Issuer to meet its obligations with respect to the Instruments will be dependent upon receipt of payments from such securities depository or clearing system**

Where the Collateral is held with a securities depository or clearing system (whether via the Custodian, a sub-custodian or otherwise), the ability of the Issuer to meet its obligations with respect to the Instruments will be dependent upon receipt by the Issuer of payments or deliveries from such securities depository or clearing system.

Consequently, the Instrumentholders are exposed to any securities depository or clearing system holding the Collateral deposited by the Custodian or any sub-custodian.

**8.4 The Custodian's failure to pay clearing system costs may result in the Issuer failing to receive any payments due to it in respect of the Collateral**

Security depositories or clearing systems may have rights of set-off and/or liens with respect to the Collateral held by them in relation to their fees and/or expenses.

If the Custodian fails to pay such fees and/or expenses, the relevant security depository or clearing system may exercise such lien or right of set-off. This may result in the Issuer failing to receive any payments due

to it in respect of the Collateral, and thereby adversely affecting the ability of the Issuer to meet its obligations with respect to the Instruments and result in loss to Instrumentholders.

Therefore, the ability of the Issuer to meet its obligations with respect to the Instruments will not only be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Instruments but will also be dependent on any security depository or clearing system not exercising any lien or right of set-off in respect of any Collateral that it holds.

**8.5 The security interest in respect of the Collateral and Custodian might take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Collateral rather than a charge over or an encumbrance on the Collateral itself**

Where any Collateral is held by the Custodian in book entry form, the security interests granted in respect of such Collateral might take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Collateral rather than a charge over the Collateral. Instrumentholders are therefore exposed to risks in respect of the Custodian.

It is unlikely that the Trustee will have a sufficient level of possession and control over the Collateral for the security created by the Trust Deed to be considered to be a Financial Collateral Arrangement as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended, and therefore the rights and protections given to the charge by such regulations will likely not apply.

**8.6 Any cash deposited with the Custodian by the Issuer and any cash received by the Custodian for the account of the Issuer in relation to a Series will be held by the Custodian as banker and not as trustee**

Even though the Collateral will consist mostly of securities throughout the term of the Instruments, such securities may be liquidated and converted into cash following the occurrence of an Event of Default or an Early Redemption Event.

Any cash deposited with the Custodian by the Issuer and any cash received by the Custodian for the account of the Issuer in relation to a Series will be held by the Custodian as banker and not as trustee. Accordingly, except in very limited circumstances, such cash will not be held as client money and will represent only an unsecured claim against the Custodian's assets. If the Custodian fails, the Client Money Distribution Rules set out in Chapter 7A of the Client Assets Sourcebook of the FCA rules will not apply to such cash and the Issuer will not be entitled to share in any distribution under the Client Money Distribution Rules.

**8.7 The Issuer, as the Custodian's custody client, will be classified as a "professional client" for the purposes of the application of the FCA and PRA rules**

The Issuer, as the Custodian's custody client, will be classified as a "professional client" for the purposes of the application of the FCA rules and the Prudential Regulation Authority rules. This means that the Issuer will not benefit from the additional rights protecting custody assets that apply to retail clients.

**9. Risks relating to the Agents**

**9.1 Instrumentholders are exposed to the creditworthiness of the Paying Agents**

Any payments and/or deliveries made to Instrumentholders in accordance with the Terms and Conditions will be made by the Issuing and Paying Agent and/or the Paying Agents on behalf of the Issuer. Pursuant to the Agency Agreement, the Issuer is required to transfer to the Issuing and Paying Agent such amount as may be due under the Instruments, on or before each date on which such payment and/or deliveries in respect of the Instruments becomes due.

If the Issuing and Paying Agent and/or the Paying Agents, while holding funds for payment to Instrumentholders in respect of the Instruments, is declared insolvent, the Instrumentholders may not receive all (or any part) of any amounts due to them in respect of the Instruments from the Issuing and Paying Agent and/or the Paying Agents. The Issuer will still be liable to Instrumentholders in respect of such unpaid amounts but will have insufficient assets to make such payments and Instrumentholders may not receive any amounts due to them.

Consequently, Instrumentholders are exposed to the creditworthiness of the Issuing and Paying Agent and the Paying Agents in respect of the performance of their obligations under the Agency Agreement to make payments to Instrumentholders.

**9.2 The Calculation Agent has no obligations to Instrumentholders**

The terms of the Instruments confer on the Calculation Agent certain discretions in making determinations and calculations in relation to, amongst other things, the occurrence of various events. All designations and calculations made by the Calculation Agent in respect of any Instruments are conclusive and binding on the Instrumentholders. The Calculation Agent has no obligations to the Instrumentholders, and only has the obligations expressed to be binding on it pursuant to the Calculation Agency Agreement. The Calculation Agent may be the same entity as the Counterparty(ies).

Where the Calculation Agent (acting in a commercially reasonable manner) determines that, as a result of market disruption, force majeure, systems failure or any other event of an analogous nature, it is unable to make a calculation or determination in the manner required by any Transaction Document, then the Calculation Agent shall not be liable for failure to make such calculation or determination in the required manner.

There can be no assurance that the exercise or non-exercise of any such discretion will not negatively affect the value of the Instruments or the occurrence of an early redemption of the Instruments or the amount payable or deliverable in connection therewith. This, in turn, may result in losses to Instrumentholders or in delay in making payments on the Instruments.

**9.3 The Issuer may not be able to make payments or deliveries without receiving Calculation Agent's determinations**

The Calculation Agent has a vital role in performing calculations and determinations in relation to the Instruments. If the Calculation Agent ceases to perform such a role or does not make such calculations and determinations, then the Issuer might cease making payments or performing other obligations until the Calculation Agent resumes its performance or a replacement calculation agent is appointed.

The Issuer will endeavour to appoint a replacement calculation agent in accordance with the process set out in the Transaction Party Replacement Annex and other Transaction Documents. However, investors should note that in certain circumstances it may not be possible to appoint a replacement calculation agent and the failure to do so will constitute either an Agent Replacement Failure Event or a Swap Counterparty Replacement Failure Event. The Agent Replacement Failure Event constitutes an Early Redemption Event pursuant to Master Condition 9(a) (*Early Redemption Events and Determining Party*).

**9.4 The Instruments will be redeemed where the Agent (including the Custodian) replacement mechanism is unsuccessful**

The Terms and Conditions of a Series of Instruments may provide for the replacement of the Agents (which includes the Custodian) in limited circumstances. There is no assurance that the relevant Agents will be replaced by another entity. If the trigger for the replacement mechanism is a Bankruptcy Event in respect of the Agent and no replacement is effected the Instruments will be redeemed. This could occur in the following circumstances:

- the requisite percentage of Instrumentholders do not exercise the option to trigger the replacement process;
- the requisite percentage of Instrumentholders do not specify a replacement;
- the relevant Counterparty(ies) rejects the appointment of a proposed replacement Agent more than once (or the relevant Counterparty(ies) rejects the appointment of a proposed replacement Agent once and the requisite percentage of Instrumentholders do not specify an alternative replacement); and
- the "know-your-customer" checks in respect of the proposed replacement Agent fail.

An early redemption of the Instruments in such circumstances may result in losses to the Instrumentholders who may receive less than the initial amount of capital invested in the Instruments.

## 10. Risks relating to regulatory change

### 10.1 Amendment of terms of Instruments or redemption of Instruments following a Regulatory Event and/or a Specified Regulatory Event

A Regulatory Event occurs if certain changes in law or regulation, or interpretation thereof, will result in there being a reasonable likelihood of it becoming unlawful, unduly onerous, impossible or impracticable for the Issuer to maintain the Instruments and/or the Company to maintain the Programme, or the Company (acting in respect of one or more Compartments) generally to maintain any other Instruments issued under the Programme, or for a party to perform its duties relating to the Instruments.

As described above, the definition of Regulatory Event is not prescriptive, and it does not include an exhaustive list of the type of risks that may be captured. Accordingly, it will fall within the Calculation Agent's discretion to determine whether a particular set of circumstances qualifies as a Regulatory Event. For a non-exhaustive list of risks that may constitute a Regulatory Event, please see paragraphs 10.2 to 10.7 below.

If the Calculation Agent determines that a Regulatory Event or a Specified Regulatory Event has occurred, the Calculation Agent shall make reasonable efforts to determine what amendments can be made to the terms of the Instrument that would result in such Regulatory Event or Specified Regulatory Event ceasing to apply. Such amendments will then be implemented provided that they would not:

- be materially prejudicial to the interests of the Counterparty(ies) or the Instrumentholders
- result in increased costs for the Counterparty(ies), and
- impose additional obligations on the Trustee, expose the Trustee to any liability or reduce the rights, powers and/or protections of the Trustee (and subject to the Trustee being indemnified and/or secured and/or pre-funded and having received a certificate from the Issuer or the Calculation Agent stating that the proposed amendments comply with the necessary requirements).

If, following the occurrence of a Regulatory Event or a Specified Regulatory Event, the Calculation Agent is unable to determine amendments to the terms of the Instruments that would fulfil the conditions above, there shall be a Regulatory Redemption Event which will (or may, at the discretion of the Determining Party, if Determining Party Option is specified as applicable) result in the early redemption of the Instruments. The Early Redemption Amount payable to Instrumentholders following a Regulatory Event or Specified Regulatory Event would be calculated in accordance with the Terms and Conditions and may be less than the amount invested.

### 10.2 The application of the Alternative Investment Fund Managers Directive to special purpose entities such as the Issuer is uncertain

The EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") became effective on 22 July 2013. The AIFMD has been implemented into Luxembourg law by the law of 12 July 2013 on alternative investment fund managers (the "**Luxembourg AIFM Law**"). The application of the AIFMD to special purpose entities such as the Issuer is unclear. The Issuer does not operate in the same manner as a typical alternative investment fund. However, the definition of "alternative investment funds" (each an "**AIF**") and AIFM in the AIFMD is broad and there is only limited guidance as to how such definition should be applied in the context of a special purpose entity such as the Issuer. The Luxembourg AIFM Law provides that "securitisation special purpose entities" are in principle excluded from the scope of the Luxembourg AIFM Law. However, the definitions of a "securitisation special purpose entities" under the Luxembourg AIFM Law and "securitisation undertaking" under the Securitisation Law differ. According to the latest Questions & Answers published by the CSSF at the date of this Series Prospectus, Luxembourg securitisation undertakings that only issue debt instruments do not qualify as AIFs. Nevertheless, there is no certainty that in the future the CSSF would not take a contrary view.

Were the Issuer to be found to be an AIF or an AIFM, or were the Arranger acting in any capacity in respect of the Instruments and/or the Trustee to be found to be acting as an AIFM with respect to the AIF, the

AIFM would be subject to the AIFMD. Owing to the special purpose nature of the Issuer, it would be unlikely that either the Issuer or Arranger could comply fully with the requirements of the AIFMD.

In such circumstance, the Calculation Agent would be likely (at its discretion) to determine that a Regulatory Event had occurred. See paragraph 10.1 above.

#### 10.3 Risk of the application of the U.S. Dodd-Frank Act to the Swap Agreement

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") establishes a comprehensive U.S. regulatory regime for a broad range of derivatives contracts (referred to in this Series Prospectus as "covered swaps").

The Issuer has imposed certain restrictions on sales in order to fall outside of the scope of the Dodd-Frank Act. However, there is no assurance that the Swap Agreement would not be treated as a covered swap under the Dodd-Frank Act nor is there assurance that the Issuer or the Swap Counterparty would not be required to comply with additional regulation under the CEA including by the Dodd-Frank Act.

Were the Swap Agreement to be treated as a covered swap, the Issuer or the Swap Counterparty might be subject to increased regulatory requirements. Such additional regulations and such registrations might result in increased reporting obligations and expenses. In addition, it might become illegal for the Swap Counterparty to perform its obligations under the Swap Agreement.

In such circumstance, the Calculation Agent would be likely (at its discretion) to determine that a Regulatory Event had occurred. See paragraph 10.1 above.

#### 10.4 Risk of the application of the Volcker Rule

Section 619 of the Dodd-Frank Act, known as the "**Volcker Rule**", and its final implementing regulations restrict the ability of a banking entity to engage in proprietary trading or to acquire or retain an ownership interest in, sponsor, or engage in certain transactions with certain private funds (referred to in this Series Prospectus as "covered funds").

Under the Volcker Rule, even if an exception allows a banking entity to sponsor or invest in a covered fund, the banking entity may be prohibited from entering into certain "covered transactions" with that covered fund. Covered transactions include (among other things) entering into a swap transaction if the swap would result in a credit exposure to the covered fund.

If the Issuer is considered a covered fund and if any affiliate of the Swap Counterparty is deemed to be a "sponsor" of the Issuer, the Swap Counterparty could be prohibited from entering into the Swap Agreement with the Issuer, which could have material adverse effects on the Instruments. In such circumstance, the Calculation Agent would be likely to determine that a Regulatory Event had occurred. See paragraph 10.1 above.

Alternatively, the Issuer might incur additional costs in seeking a new swap counterparty in order to maintain the payment characteristics of the Instruments, although there is no guarantee that it would be able to find such counterparty. Such costs could materially and adversely affect the value of and any return on the Instruments. If the Issuer is considered a covered fund, the liquidity of the market for the Instruments may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Instruments. This could make it difficult or impossible for Instrumentholders to sell the Instruments or it could materially and adversely affect their market value.

#### 10.5 Risks relating to the application of the United States commodity pool regulation to the Issuer

The CFTC has rescinded the rule which formerly provided an exemption from registration as a "commodity pool operator" (a "**CPO**") and a "commodity trading advisor" ("**CTA**") under the CEA, in respect of certain transactions. In addition, the Dodd-Frank Act expanded the definition of a "commodity pool" to include any form of enterprise operated for the purpose of trading in commodity interests, including swaps. The Issuer has imposed certain restrictions on sales in order to fall outside of the scope of the Dodd-Frank Act. However, if the Issuer were deemed to be a "commodity pool", then both the CPO and the CTA of the Issuer would be required to register as such with the CFTC and the National Futures Association by the initial offering date of the Instruments. While there remain certain limited exemptions from registration, it



is unclear whether and to what extent any of these exemptions would be available to avoid registration with respect to the Issuer. In addition, if the Issuer were deemed to be a "commodity pool", it would have to comply with a number of reporting requirements that are designed to apply to traded commodity pools. It is presently unclear how a special purpose entity such as the Issuer could comply with certain of these reporting requirements on an ongoing basis. Such registration and other requirements would involve material ongoing costs to the Issuer. In addition, if the Issuer were deemed to be a "commodity pool" this might have adverse consequences for the Swap Counterparty and/or Arranger, or for the Trustee.

In such circumstance, the Calculation Agent would be likely to determine that a Regulatory Event had occurred. See paragraph 10.1 above.

#### **10.6 European Market Infrastructure Regulation and Markets in Financial Instruments Directive**

Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 04 July 2012 (as amended, "**EMIR**") establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations, bilateral risk-management requirements and reporting requirements.

EMIR imposes different obligations on entities classified as "financial counterparties" ("**FC**") (including entities referred to as "small financial counterparties" or "**SFC**"), "non financial counterparties exceeding a clearing threshold" ("**NFC+**") and "non financial counterparties below a clearing threshold" ("**NFC-**"). The Issuer's unregulated status and the volume of non-hedging derivatives transactions that it (together with any other non financial entities in its consolidated group) has entered into, means that the Issuer is likely to be classified as an NFC-. Accordingly, EMIR imposes only a limited amount of obligations on the Issuer when it enters into any derivatives transactions, including obligations to report these derivative contracts to registered or recognised trade repositories.

If the Issuer were to be classified as an entity other than an NFC-, EMIR may require the Issuer to modify the terms of any derivative transaction into which it enters; there is a risk that this may materially increase the costs associated with such derivative transaction or replacement derivative transaction. This is a particular risk should any derivative transaction into which the Issuer enters become subject to (i) a requirement to exchange segregated collateral with the Swap Counterparty to such transaction, which forms a part of the risk-management requirements, or (ii) to mandatory clearing. In such circumstances, the Issuer might not be practically able to comply with such requirement and/or the Issuer and/or Swap Counterparty would be subject to additional financial and operational burdens.

If the Issuer were to be classified as an entity other than an NFC-, the additional requirements of EMIR may in certain circumstances result in the occurrence of a Regulatory Event and lead to early redemption of the Instruments. See paragraph 10.1 above.

### **11. Additional Risk Factors**

#### **11.1 Interest and Final Redemption Amount**

No interest is payable under the Instruments and both the Issue Price and the Final Redemption Amount under the Instruments are par. Prospective investors should carefully consider whether the absence of a return provided by the Instruments is consistent with their investment objectives and the advantages associated with an investment in the Instruments when compared to other instruments with similar risk profiles.

#### **11.2 Additional Redemption Events**

"Reference Agreement Additional Redemption Event" and "NWM Group Additional Redemption Event" are Additional Redemption Events not contemplated by the Base Prospectus. Such Additional Redemption Events each constitute an Early Redemption Event for the purposes of the Master Terms and Conditions of the Instruments. Such Early Termination Events will thus increase the likelihood that the Instruments will be redeemed early, and are triggered by events or circumstances that are outside the control of the Issuer and only where the Calculation Agent reasonably determines that such events or circumstances constitute a Reference Agreement Additional Redemption Event or NWM Group Additional Redemption Event. Instrumentholders should carefully consider the prospect of either such events occurring and the



consequential impact of an early redemption of the Instruments. For such purposes, investors should refer to the section entitled “Risks relating to early redemption of the Instruments and any enforcement actions” in the Base Prospectus in respect of the risks associated with early redemption.

### 11.3 **No assurances as to the composition of the Underlying Collateral**

The Underlying Collateral in respect of the Instrument will comprise:

- any securities, cash or other assets or property transferred or delivered to the Issuer or to its order pursuant to the Counterparty Agreements (being the Swap Agreements and the Securities Lending Agreement) and/or Securities Lending Service Agreement, together with any accrued interest and distributions entitled to be received in respect thereof; and
- any other securities, cash, assets or property held by the Issuer or on its behalf in respect of the Instruments from time to time, including (without limitation) any cash standing to the credit of the Cash Account.

It is expected that, on any given day during the term of the Instruments, the Underlying Collateral will comprise the Collateral (as defined in, and delivered by the SL Counterparty pursuant to, the Securities Lending Agreement and Securities Lending Service Agreement). However, as further described in the risk factor below headed “The Underlying Collateral held by the Issuer from time to time may differ from the Underlying Collateral used to pay or deliver the Early Redemption Amount”, following certain Early Redemption Events such Collateral will be exchanged for Equivalent Securities (as defined in the Securities Lending Agreement). The Early Redemption Amount payable in such circumstances will, subject to certain deductions and other adjustments made in accordance with the terms of the Instruments, principally comprise either payment of the Net Liquidation Proceeds in respect of the Liquidation of such Equivalent Securities or delivery of the aggregate of all such Equivalent Securities.

Prospective investors should be aware that no assurances are made as regards the composition of the Underlying Collateral nor the specific identity, nature or characteristics of any securities comprising the Underlying Collateral at any given time. Moreover, prospective investors should note that substitutions or replacements in respect of the Underlying Collateral may be made from time to time (by the SL Counterparty on the terms set out in Sections C or D of the Securities Lending Agreement and/or the Securities Lending Service Agreement or by the Swap Counterparty on the terms set out in Section 5 of TRS2).

Notwithstanding the above, the attention of prospective investors is drawn to:

- the eligibility criteria applicable to the Collateral that may be posted by the SL Counterparty to the Issuer or to its order pursuant to the Securities Lending Agreement and Securities Lending Service Agreement, as set out in the Securities Lending Service Agreement and summarised in the section headed “Description of Underlying Collateral” of this Series Prospectus; and
- the Loaned Securities Eligibility Criteria applicable to the Loaned Securities (contained in the Confirmation to the Reference Agreement), as set out in the Schedule to TRS2 (and reproduced in Annex 3 to the Series Terms of this Series Prospectus). This is relevant to prospective investors’ investment decision, as (i) the Loaned Securities deliverable by the Issuer to the SL Counterparty on the Settlement Date pursuant to the Securities Lending Agreement will be the same as the securities delivered by the Reference Lender the NatWest Markets N.V. pursuant to the Reference Agreement (and will thus be indirectly subject to the Loaned Securities Eligibility Criteria) and (ii) where the SL Counterparty is required to deliver Equivalent Securities to the Issuer pursuant to the Securities Lending Agreement (in the circumstances described further below), such Equivalent Securities must be equivalent to the aforementioned Loaned Securities, and thus equivalent to the Loaned Securities delivered by the Reference Lender to NatWest Markets N.V. (which are subject to the Loaned Securities Eligibility Criteria).

Prospective investors should understand the effect of the abovementioned eligibility criteria on the likely composition of the Underlying Collateral available to Instrumentholders upon early redemption of the Instruments.

#### 11.4 **Limited liquidity in respect of the Underlying Collateral**

The Underlying Collateral held by the Issuer from time to time may be illiquid and not easily realisable in certain market circumstances. Where there is limited liquidity in the secondary market relating to such Underlying Collateral, in the event of an early redemption or enforcement the Disposal Agent may not be able to readily sell such Underlying Collateral to a third party or may only be able to sell such Underlying Collateral at a discounted value. Furthermore, the Underlying Collateral could be comprised of assets whose value may be positively correlated with the creditworthiness of one or more Transaction Parties in that adverse economic factors which lead to the relevant Early Redemption Event or Enforcement Event may impact the value of the Underlying Collateral. This may result in a lower Early Redemption Amount being payable to Instrumentholders.

#### 11.5 **The Underlying Collateral held by the Issuer from time to time may differ from the Underlying Collateral used to pay or deliver the Early Redemption Amount**

Subject to the following sentence, on any given day the Underlying Collateral is principally expected to comprise the Collateral (as defined in, and delivered pursuant to, the Securities Lending Agreement). Prospective investors should be aware however that if an Early Redemption Event that is a No-Default Event occurs and an Early Redemption Notice Date has been designated, then:

- the terms of the Securities Lending Agreement provide that the Issuer will be immediately required to deliver Collateral equivalent to the Collateral provided by the SL Counterparty in respect of the loan documented under the Securities Lending Agreement to the SL Counterparty, and the SL Counterparty will be immediately required to deliver Equivalent Securities (as defined in the Securities Lending Agreement) to the Issuer; and
- the Early Redemption Amount payable in such circumstances will (subject to certain deductions and other adjustments made in accordance with the terms of the Instruments) principally comprise either (i) payment of the Net Liquidation Proceeds in respect of the Liquidation of the Equivalent Securities delivered by the SL Counterparty pursuant to the Securities Lending Agreement and held by the Custodian on behalf of the Issuer on the relevant Early Redemption Date (if the Instrumentholder elects for payment of the Early Cash Redemption Amount upon such early redemption, or fails to make an election or does not meet the relevant conditions in respect of such election) or (ii) delivery of the aggregate of all Equivalent Securities delivered by the SL Counterparty pursuant to the Securities Lending Agreement and held by the Custodian on behalf of the Issuer in respect of the Instruments on the relevant Early Redemption Date (if the Instrumentholder elects for delivery of the Physical Redemption Amount upon such early redemption).

Prospective investors should be aware of the above when assessing the Underlying Collateral available to the Issuer in respect of its obligation to pay any Early Redemption Amount. In addition, prospective investors should note that the delivery of the Equivalent Securities as referenced above is dependent on the fulfilment by the SL Counterparty of its obligation to effect such a delivery at the relevant time.

#### 11.6 **Any Early Redemption Amount payable to Instrumentholders will differ depending on the circumstances of the Early Redemption Event**

The Early Redemption Amount payable in respect of the Instruments following an Early Redemption Event will differ depending on the circumstances of the Early Redemption Event. Instrumentholders should carefully consider the Master Terms and Conditions of the Instruments, including the additional terms set out in Annex 1 (*Additional Collateral and Redemption Provisions Annex*) to the Series Terms as contained in this Series Prospectus, which determine the Early Redemption Amount payable to Instrumentholders. In particular, prospective investors should understand that the occurrence of a No-Default Event, NWM Default Event or Issuer Default Event will affect the calculation of the Early Cash Redemption Amount or Physical Redemption Amount payable following an Early Redemption Event.

#### 11.7 **Any Early Redemption Amount payable to Instrumentholders may be reduced to account for Unwind Costs**

Prospective investors should note that any Early Redemption Amount payable to Instrumentholders may in certain circumstances (including following a No-Default Event or an Issuer Default Event) be reduced to take account of Unwind Costs, as defined in the SL Confirmation. Such reduction will be applied by virtue of the provision “Unwind Costs on Early Termination” in the SL Confirmation, which provides that, if the loan documented by the SL Confirmation terminates early as a result of a SL Termination Event, a Withholding Event, an Adverse Tax Event or an Event of Default in respect of which the Issuer is the Defaulting Party (as each such terms are defined in the Securities Lending Agreement) then the amount of Equivalent Securities to be delivered by the SL Counterparty pursuant to the Securities Lending Agreement will be reduced by a nominal amount of such Equivalent Securities with a Market Value as close as practicable to but not less than the Unwind Costs. The effect is to reduce the amount of Equivalent Securities delivered to the Issuer and thus the assets available to the Issuer to pay the Early Cash Redemption Amount or deliver the Physical Redemption Amount (as the case may be) to Instrumentholders. No Unwind Costs are deductible where a No-Default Event has occurred as a result of a Reference Agreement Additional Redemption Event (as defined in the Series Terms) resulting from an Event of Default (as defined in the Reference Agreement) occurring in respect of NatWest Markets N.V. or a NWM Group Additional Redemption Event (as defined in the Series Terms). See the risk factor headed “The Underlying Collateral held by the Issuer from time to time may differ from the Underlying Collateral used to pay or deliver the Early Redemption Amount” above for further information.

In addition, prospective investors should be aware that the Unwind Costs applicable in the abovementioned circumstances will be determined by the SL Counterparty. Such amount will be equal to all costs, fees, charges, expenses (including loss of funding), tax and duties incurred by the SL Counterparty in connection with the termination of the loan documented by the SL Confirmation and the related termination, settlement or reestablishment of any hedge or related trading position.

#### **11.8 Net Liquidation Proceeds not denominated in the Specified Currency will be subject to foreign exchange fluctuations**

Any Early Cash Redemption Amount payable to Instrumentholders will principally comprise the Net Liquidation Proceeds in respect of the Liquidation of either the Equivalent Securities delivered by the SL Counterparty pursuant to the Securities Lending Agreement and held by the Custodian on behalf of the Issuer on the relevant Early Redemption Date or the Collateral held by the Custodian on behalf of the Issuer on the relevant Early Redemption Date, depending on which Early Redemption Event has given rise to the payment of the Early Cash Redemption Amount. Any part of either such Net Liquidation Proceeds that is not denominated in the Specified Currency will be converted into the Specified Currency at the spot foreign exchange rates prevailing for sale of the relevant currency and purchase of the Specified Currency (as determined by the Calculation Agent).

Prospective investors should thus be aware that any Early Cash Redemption Amount payable to Instrumentholders is subject to foreign exchange fluctuations arising between the currency or currencies in which the Net Liquidation Proceeds are denominated and the Specified Currency.

#### **11.9 The Issuer is dependent on the Triparty Arrangements and an Early Redemption Event will occur if those Triparty Arrangements are subject to a Triparty Arrangements Disruption Event**

The Issuer and SL Counterparty have entered into a triparty relationship with Euroclear Bank SA/NV in relation to the provision of certain service functions in connection with, among others, the determination of the Market Value of the Loaned Securities and the Collateral, the operation of the margin maintenance provisions and the substitution of Loaned Securities and Collateral (as each such terms are defined in the Securities Lending Agreement) (the “**Triparty Arrangements**”). Moreover, the Issuer and SL Counterparty have agreed that the occurrence of a Triparty Arrangements Disruption Event (as defined in the Securities Lending Agreement) will result in an SL Termination Event in respect of the Securities Lending Agreement. A Triparty Arrangements Disruption Event will occur if, in respect of any day on which the Triparty Arrangements are scheduled to be open for operation, either (i) the Triparty Arrangements fail to open on such day or (ii) an event or circumstance arises which (in the sole discretion of the SL Counterparty) ceases, suspends, limits or otherwise materially disrupts the regular functioning of the Triparty Arrangements.

Accordingly, prospective investors should note that the Issuer and SL Counterparty are dependent the performance by Euroclear Bank SA/NV of certain services in respect of the Securities Lending Agreement. Moreover, if a Triparty Arrangements Disruption Event occurs this will constitute an SL Termination Event which (provided such Triparty Arrangements Disruption Event is continuing) will give the SL Counterparty the right to terminate all outstanding loans that are the subject of the Securities Lending Agreement. In the event the SL Counterparty so terminates all outstanding loans, this will result in a Securities Lending Agreement Termination Event for the purposes of the Instruments and, accordingly, an Early Redemption Event. Instrumentholders may therefore be impacted by the occurrence of a Triparty Arrangements Disruption Event, and prospective investors should be aware of the foregoing.

## INVESTOR SUITABILITY

### IMPORTANT – PROSPECTIVE INVESTORS PLEASE NOTE

The Instruments are complex investments that involve substantial risks and are suitable only for sophisticated investors.

Prospective investors should ensure that they understand the nature of the risks inherent in an investment in the Instruments, and their exposure to such risks as a result of such investment in the Instruments. Before making an investment decision prospective investors should review carefully all of the information contained in this Series Prospectus and, in particular, the considerations set out below.

Prospective investors should reach an investment decision only after carefully considering the suitability of the Instruments in light of their particular circumstances and financial condition. Investment in the Instruments may only be suitable for investors who:

- (i) have sufficient knowledge and experience in financial and business matters to enable them to evaluate the risks of an investment in the Instruments, the rights attaching to the Instruments and the information contained or incorporated by reference in this Series Prospectus or any applicable supplement;
- (ii) have access to such professional advisers and appropriate analysis as are necessary to make their own evaluation of the risks of such an investment (including without limitation any tax, accounting, legal, regulatory and financial implications for them of such an investment);
- (iii) understand thoroughly the terms of the Instruments and are familiar with the behaviour of any relevant reference assets and financial markets;
- (iv) are able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, currency and interest rates and other factors that may affect their investment and their ability to bear the applicable risks;
- (v) are capable of bearing the economic risk of an investment in the Instruments for an indefinite period of time and recognise that it may not be possible to transfer the Instruments for a substantial period of time, if at all; and
- (vi) are acquiring the Instruments for their own account (as principal and not as agent) for investment purposes and not with a view to the resale, distribution or other disposition of the Instruments.

Prospective investors should note that an investment in Instruments denominated in a currency other than the currency of the investor's jurisdiction entails significant risks that are not associated with a similar investment in a security denominated and/or payable in the investor's currency. These risks include, but are not limited to, the possibility of:

- significant changes in rates of exchange between the investor's currency and the currency in which the Instruments are denominated and/or payable (including those resulting from the official redenomination or revaluation of the currency); and
- the imposition or modification of foreign exchange controls by either the jurisdiction of the investor or foreign governments.

Prospective investors should note that an investment in the Instruments is not an investment in any reference assets to which the performance of the Instruments may be linked. Payments under the Instruments may be linked to one or more reference assets:

- Where Instruments reference securities, an Instrumentholder has no rights against the company that has issued such securities.
- Where the Instruments reference an index, the Instrumentholder has no rights against the sponsor of such index.
- Where the Instruments reference a fund, an Instrumentholder has no rights against such fund nor the manager of such fund.

- Where the Instruments reference a swap or other kind of hedging contract, an Instrumentholder has no rights against the counterparty of such swap or contract.

An investment in the Instruments is not an investment in any reference assets to which the performance of the Instruments may be linked and an Instrumentholder will have no rights in relation to voting rights or other entitlements (including any dividend or other distributions) relating to such reference assets.

Such Instruments are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of any Mortgaged Property or reference assets. Such entities have no obligation to take into account the consequences of their actions on any Instrumentholders.

## CONFLICTS OF INTEREST

### **Conflicts of interest may arise between the various parties involved in the issuance of Instruments**

NatWest Markets and other Transaction Parties may act in multiple capacities in connection with any Series of Instruments. NatWest Markets and other Transaction Parties have only the duties and responsibilities expressly agreed to in the relevant capacity and will not be deemed to have other duties or responsibilities or be deemed to be subject to a standard of care other than as may be expressly provided with respect to the relevant capacity. NatWest Markets and other Transaction Parties may enter into business dealings relating to the Instruments or the Collateral or any asset in respect of the Instruments or Collateral from which it may derive revenues and profits without any duty to account for such revenues or profits. NatWest Markets and other Transaction Parties may purchase and hold Instruments of any Series.

NatWest Markets and its affiliates (the “**Arranger's Group**”) and its personnel, including its sales and trading, investment research and investment management personnel, regularly make investment recommendations, or publish or express independent views in respect of a wide range of markets, issuers, securities and instruments. They regularly implement, or recommend, various investment strategies relating to these markets, issuers, securities and instruments. These strategies include, for example, buying or selling credit protection against a default or other event involving an entity or financial instruments. Any of these recommendations and views may be negative with respect to the Issuer or the Instruments or other securities or instruments similar to the Instruments or result in trading strategies that have a negative impact on the market for any such securities or instruments, particularly in illiquid markets. Instrumentholders should expect that personnel in the trading and investing businesses of the Arranger's Group will have independent views of the Issuer or other market trends which may not be aligned with the views and objectives of Instrumentholders.

NatWest Markets and other Transaction Parties may at any time be an active and significant participant in or act as market maker in relation to a wide range of markets for currencies, instruments relating to currencies, securities and derivatives. Activities undertaken by NatWest Markets and other Transaction Parties may be on such a scale as to affect, temporarily or on a long-term basis, the price of such currencies, securities relating to currencies, securities and derivatives or securities and derivatives based on, or relating to, the Instruments or any Collateral. Notwithstanding this, neither NatWest Markets nor other Transaction Parties necessarily have a duty or obligation to take into account the interests of any party in relation to any Instruments when effecting transactions in such markets.

### **The Trustee is required to have regard to the interests of the Instrumentholders as a class and not individually and does not assume any duty or responsibility to the Transaction Parties**

In connection with the exercise of its functions, the Trustee will have regard to the interests of the Instrumentholders as a class and is not required to have regard to the consequences of such exercise for individual Instrumentholders. The Trustee is not entitled to require, nor is any Instrumentholder entitled to claim, from the Issuer any indemnification or payment in respect of any such exercise upon individual Instrumentholders.

In acting as Trustee under the Trust Deed, the Trustee does not, in respect of Instruments of any Series, assume any duty or responsibility to any of the Counterparty(ies), the Disposal Agent, the Custodian, the Calculation Agent, any of the Paying Agents, any other Secured Creditor or any other Transaction Party (other than to pay any such party any moneys received and payable to it and to act in accordance with the Terms and Conditions and the Trust Deed). The Trustee is not obliged to act on any directions of any Secured Creditor or Transaction Party other than where expressly provided otherwise in the Transaction Documents to which the Trustee is a party, including in circumstances where it is directed by the relevant Counterparty(ies) to deliver an Enforcement Notice and enforce the Transaction Security following the occurrence of an Enforcement Event.

### **Each Counterparty is entitled to exercise functions in its absolute discretion**

Where any Counterparty is entitled to exercise its discretion, make a determination or to undertake a course of action in respect of the relevant Counterparty Agreement, in respect of the terms and conditions or otherwise in respect of the Instruments the relevant Counterparty will be contractually entitled to act in its absolute discretion and will be under no obligation to, and will not assume any responsibility for, the Instrumentholders or any other person.

In exercising such discretion, making a determination or deciding upon a course of action, the relevant Counterparty may act in its best interests and will not be liable to account to the Instrumentholders or any other person for any profit or other benefit to it or any of its respective affiliates that may result directly or indirectly from any such exercise, determination or action.

**Business relationships with any Counterparty may be pursued without regard to the consequences for Instrumentholders**

NatWest Markets and other Transaction Parties may deal in any obligation of any obligor of any Collateral and may make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the obligor of any Collateral. NatWest Markets and other Transaction Parties may act with respect to such transactions in the same manner without regard to whether any such action might have an adverse effect on the obligor of any Collateral, the Issuer, any Counterparty or the Instrumentholders of the relevant Series.

One or more of NatWest Markets or any Transaction Party may undertake any of the following activities and such arrangements or transactions may result in NatWest Markets or any Transaction Party having interests which are contrary to the interests of Instrumentholders:

- underwrite, or act as an arranger or adviser in connection with the original issuance of, or may act as a dealer with respect to, the Collateral;
- act as trustee, paying agent and in other capacities in connection with the Collateral or other securities issued by an obligor of the Collateral;
- be a counterparty to obligors of the Collateral under a derivative transaction;
- lend to obligors of the Collateral or their affiliates or receive guarantees from such obligors or their affiliates;
- provide other investment banking, asset management, commercial banking, financing or financial services to the obligors of the Collateral or their affiliates; or
- have an equity interest in obligors of the Collateral or their affiliates.



## DOCUMENTS INCORPORATED BY REFERENCE

This Series Prospectus should be read and construed in conjunction with the following documents, which shall be deemed to be incorporated in, and form part of, this Series Prospectus (excluding, for the avoidance of doubt, the documents incorporated by reference therein):

### 1. The Base Prospectus

A copy of the Base Prospectus can be found at: [https://www.ise.ie/debt\\_documents/Base%20Prospectus\\_5d65ef2a-93ce-4b36-a232-cf2e13685b39.PDF](https://www.ise.ie/debt_documents/Base%20Prospectus_5d65ef2a-93ce-4b36-a232-cf2e13685b39.PDF). The table below sets out the relevant sections of the Base Prospectus which are incorporated by reference into, and form part of, this Series Prospectus by reference (excluding, for the avoidance of doubt, the documents incorporated by reference therein).

| <b>The Base Prospectus</b>  |                 |
|---|-----------------|
| Overview of the Programme   | pages 33 – 42   |
| Programme Structure   | pages 43 – 46   |
| Master Terms and Conditions   | pages 47 – 189  |
| Clearing and Settlement   | pages 190 – 194 |
| Description of the Security Arrangements  | pages 195 – 196 |
| Description of Early Redemption Events  | pages 197 – 201 |
| Description of the Liquidation of Collateral, Enforcement of Security and Limited Recourse Provisions | pages 202 – 203 |
| Description of Custodian  | page 223        |
| Description of Trustee  | page 224        |
| Taxation  | pages 225 – 230 |
| Subscription and Sale   | pages 231 – 236 |

The non-incorporated sections of the Base Prospectus are either not relevant for investors in the Instruments or are covered elsewhere in this Series Prospectus.

For the purpose of this Series Prospectus, references in sections of the Base Prospectus incorporated herein to the applicable Series Terms (including, for the avoidance of doubt, within the sections thereof incorporated by reference and forming part of this Series Prospectus) shall be to the provisions set out below under “Series Terms”. In the event of any inconsistency between (i) the Series Terms and this Series Prospectus and (ii) the Master Terms and Conditions or the Base Prospectus, the Series Terms and this Series Prospectus will prevail.

The Master Terms and Conditions referred to in the provisions set out under “Series Terms” below are those master conditions set out in the Trust Deed (as such term is defined in the Base Prospectus).

### 2. The audited annual financial statements of the Issuer for the financial period commencing 16 May 2018 and ending 31 December 2018, together with the audit report thereon (the “2018 Audited Financial Statements”). The 2018 Audited Financial Statements have been prepared in accordance with Luxembourg GAAP.

A copy of the 2018 Audited Financial Statements can be found at:

[https://www.ise.ie/debt\\_documents/2018%20financials\\_a98f9bb0-57ea-480c-9219-0313338a7dfa.PDF](https://www.ise.ie/debt_documents/2018%20financials_a98f9bb0-57ea-480c-9219-0313338a7dfa.PDF)

## SERIES TERMS

The terms and conditions of the Instruments comprise (i) the Master Terms and Conditions set out in the Base Prospectus, as completed and amended for the purpose of this Series Prospectus by (ii) the “Contractual Terms” set out in Part A herein (which shall be deemed to be the “Series Terms” as referred to in the Master Terms and Conditions), subject to any changes to the terms and conditions applicable to the Instruments whilst in global form to the extent described under “Clearing and Settlement” in the Base Prospectus.

### PART A – CONTRACTUAL TERMS

#### SERIES DETAILS

|     |   |   |
|-----|---|---|
| 1.  | <b>Issuer:</b>                                  | Lunar Luxembourg S.A. (LEI: 549300VHYR3RV8D40P90), acting in respect of its Compartment 2020-02   |
| 2.  | <b>(i) Series Number:</b>                       | 2020-02   |
|     |   | A separate Compartment has been created by the Board in respect of the Instruments (" <b>Compartment 2020-02</b> "). Compartment 2020-02 is a separate part of the Company's assets and liabilities. The Collateral (relating to the Instruments) is exclusively available to satisfy the rights of the Instrumentholders (in accordance with the terms and conditions set out in these Series Terms) and the rights of the other Secured Creditors whose claims have arisen at the occasion of the creation, the operation or the liquidation of Compartment 2020-02, as contemplated by the Articles. |
|     | <b>(ii) Tranche Number:</b>                     | One   |
| 3.  | <b>Specified Currency:</b>                      | EUR   |
| 4.  | <b>Aggregate Nominal Amount of Instruments:</b> | EUR 100,000,000   |
|     | <b>(i) Series:</b>                              | 2020-02   |
|     | <b>(ii) Tranche:</b>                            | One   |
| 5.  | <b>Issue Price:</b>                             | 100 per cent. of the Aggregate Nominal Amount   |
| 6.  | <b>(i) Specified Denomination(s):</b>           | EUR 100,000   |
|     | <b>(ii) Calculation Amount:</b>                 | EUR 100,000   |
| 7.  | <b>Trade Date:</b>                              | 29 April 2020   |
| 8.  | <b>(i) Issue Date:</b>                          | 7 May 2020  |
|     | <b>(ii) Interest Commencement Date:</b>         | Not Applicable  |
| 9.  | <b>Maturity Date:</b>                           | 7 May 2025 (subject to the Business Day Convention), unless previously redeemed, purchased or cancelled in accordance with the Master Terms and Conditions.   |
| 10. | <b>Interest Basis:</b>                          | Non-Interest Bearing  |
| 11. | <b>Status:</b>                                  | The Instruments are constituted and secured by the Trust Deed. The Instruments (which are subject to the provisions of the Securitisation Law) are secured, limited recourse obligations of the Issuer, at all times ranking <i>pari passu</i> and without any  |

preference among themselves and secured in the manner described in Master Condition 5(a) (*Transaction Security*) and recourse in respect of which is limited in the manner described in the Master Terms and Conditions.

#### PROVISIONS RELATING TO INTEREST

- |     |   |                |
|-----|---|----------------|
| 12. | <b>Fixed Rate Instrument Provisions:</b>    | Not Applicable |
| 13. | <b>Floating Rate Instrument Provisions:</b> | Not Applicable |
| 14. | <b>Variable Rate Instrument Provisions:</b> | Not Applicable |
| 16. | <b>Zero Coupon Instrument Provisions:</b>   | Not Applicable |
| 17. | <b>Interest Determination Date:</b>         | Not Applicable |
| 18. | <b>Default Interest:</b>                    | Not Applicable |

#### MORTGAGED PROPERTY

##### 19. Mortgaged Property:

##### (i) Underlying Collateral:

The Underlying Collateral shall comprise:

- (A) any securities, cash or other assets or property transferred or delivered to the Issuer or to its order pursuant to the Counterparty Agreements (being the Swap Agreements and the Securities Lending Agreement) and/or Securities Lending Service Agreement (principally comprising the Collateral and any Equivalent Securities, each as defined in, and delivered pursuant to, the Securities Lending Agreement), together with any accrued interest and distributions entitled to be received in respect thereof; and
- (B) any other securities, cash, assets or property held by the Issuer or on its behalf in respect of the Instruments from time to time, including (without limitation) any cash standing to the credit of the Cash Account.

For the avoidance of doubt, the Underlying Collateral shall include the rights, title and/or interests in and to any Underlying Collateral that is acquired by the Issuer by way of substitution or replacement of any Underlying Collateral previously held by the Issuer or to its order and any further Underlying Collateral delivered to the Issuer or to its order from time to time by the SL Counterparty pursuant to Sections C or D of the Securities Lending Agreement (and/or the Securities Lending Service Agreement, as defined below) or by the Swap Counterparty pursuant to Section 5 of TRS2, as provided for under the definition of "Collateral" in the Master Terms and Conditions.

The Underlying Collateral may be held on behalf of the Issuer:

- (X) by Euroclear Bank SA/NV in accordance with the Securities Lending Service Agreement, in which case such Underlying Collateral shall be held on behalf of the Issuer in the Custodian's Collateral Taker's Account (comprising a Securities Clearing Account and Cash

Account) (as such terms are defined in the Securities Lending Service Agreement); and/or

- (Y) by the Custodian in accordance with the Custody Agreement, in which case such Underlying Collateral shall be held in the Issuer's Securities Account or Cash Account.

As of the Issue Date, the Underlying Collateral shall have an aggregate principal amount of EUR 100,000,000.

The eligibility criteria applicable to the Collateral that may be posted by the SL Counterparty to the Issuer pursuant to the Securities Lending Agreement is set out in the section headed "Description of Underlying Collateral" in this Series Prospectus.

(ii) **Counterparty Agreement(s):**

(A) **Swap Agreement(s):**

Applicable

The Issuer shall enter into two Swap Agreements with the Swap Counterparty by executing the Constituting Document. Each Swap Agreement is a total return swap ("**TRS**") and is designated as TRS1 or TRS2.

Each Swap Agreement shall be dated as of the date of the Constituting Document and its terms shall comprise the terms set out in the Master Swap Terms (including the Schedule set out therein, as amended and supplemented by Schedule 8 of the Constituting Document) and a swap confirmation (a "**Swap Confirmation**") executed by the Issuer and the Swap Counterparty. The form of Swap Confirmations for TRS1 and TRS2 respectively are set out in Annex 2 and Annex 3 of these Series Terms.

Together, the Swap Agreement and Swap Confirmation in respect of TRS1 is referred to herein as "**TRS1**" and the Swap Agreement and Swap Confirmation in respect of TRS2 is referred to herein as "**TRS2**".

(B) **Swap Counterparty:**

NatWest Markets Plc

(C) **Credit Support Annex:**

Not Applicable

(D) **Repo Agreement:**

Not Applicable

(E) **Repo Counterparty:**

Not Applicable

(F) **Securities Lending Agreement:**

Applicable

The Issuer shall enter into a Securities Lending Agreement with the SL Counterparty by executing the Constituting Document.

The Securities Lending Agreement shall be dated as of the date of the Constituting Document and its terms shall comprise the terms set out in the Master Securities Lending Terms (including the Schedule set out therein, as amended and supplemented by Schedule 9 of the Constituting Document) and a confirmation

executed by the Issuer and the SL Counterparty (the “**SL Confirmation**”). The form of SL Confirmation to the Securities Lending Agreement is set out in Annex 4 of these Series Terms.

The Issuer and the SL Counterparty have agreed that Euroclear Bank SA/NV shall perform certain services and functions in respect of the Collateral, Loaned Securities and Equivalent Securities (as each such term is defined in the SL Confirmation) subject to the terms of the Securities Lending Service Agreement. Transfers and deliveries of Collateral, Loaned Securities and Equivalent Securities shall also be made by or on behalf of the Issuer and SL Counterparty in accordance with the Securities Lending Service Agreement

In addition, The Bank of New York Mellon SA/NV, Dublin Branch (“**BNYM**”) shall perform certain collateral monitoring services in respect of ABS Collateral (as defined in the SL Confirmation) pursuant to the collateral monitoring agent master service level agreement entered into by NatWest Markets Plc and BNYM on or around the Issue Date.

|       |                                       |   |
|-------|---------------------------------------|---|
| (G)   | <b>SL Counterparty:</b>               | NatWest Markets Plc   |
| (H)   | <b>Other Counterparty Agreement:</b>  | Not Applicable  |
| (I)   | <b>Other Counterparty:</b>            | Not Applicable  |
| (iii) | <b>Counterparty Reserved Matter:</b>  | As per the definition of Counterparty Reserved Matter in the Master Terms and Conditions  |
| (iv)  | <b>Additional Security Document:</b>  | Not Applicable  |
| (v)   | <b>Additional Security Interests:</b> | Pursuant to the Trust Deed (as amended by the Constituting Document), the Issuer with full title guarantee and as continuing security (subject to the provisions of the Securitisation Law) shall assign by way of security the Issuer's rights, title and interest in (i) the agreement dated 7 May 2020 between NatWest Markets Plc as the “Collateral Giver”, the Custodian (acting as representative of the Issuer) as the “Collateral Taker” and Euroclear Bank SA/NV, comprising the SLSA Terms and Conditions and SLSA Operating Procedures (each as defined in the Securities Lending Agreement) as supplemented by Annex I and Annex II in respect of the accounts held pursuant to such agreement (each as amended from time to time, the “ <b>Securities Lending Service Agreement</b> ”) (ii) the deed entered into between the Issuer, the Trustee, the Custodian, the SL Counterparty and the Swap Counterparty the Issue Date governing certain netting arrangements in respect of the Securities Lending Agreement and the Swap Agreements. |
| (vi)  | <b>Designated Counterparty:</b>       | Not Applicable  |

## PROVISIONS RELATING TO REDEMPTION

20. **Final Redemption Amount:** Unless previously redeemed, purchased or cancelled in accordance with the Master Terms and Conditions, each Instrument shall be redeemed on the Maturity Date at an amount equal to its outstanding principal amount.

21. **Instalment Instruments:** No

22. **Underlying Collateral Amortisation Redemption (Master Condition 8(c)):** Not Applicable

23. **Early Redemption Events (Master Condition 9 (Early Redemption)):**

### *Collateral-related Early Redemption Events*

| <i>Early Redemption Event</i>        | <i>Applicable/Not Applicable</i> | <i>Determining Party</i> | <i>Determining Party Option</i> |
|--------------------------------------|----------------------------------|--------------------------|---------------------------------|
| (i) <b>Settlement Failure Event:</b> | Not Applicable                   | Not Applicable           | Not Applicable                  |
| (ii) <b>Collateral Event:</b>        | Not Applicable                   | Not Applicable           | Not Applicable                  |
| (iii) <b>Value Trigger Event:</b>    | Not Applicable                   | Not Applicable           | Not Applicable                  |

### *Tax-related Early Redemption Events*

|  |                |  |                |
|--|----------------|--|----------------|
| (iv) <b>Underlying Collateral Tax Event:</b> | Not Applicable | Not Applicable                               | Not Applicable |
| (v) <b>Instrument Tax Event:</b>             | Applicable     | The party specified in Master Condition 9(a) | Applicable     |
| (vi) <b>Issuer Tax Event:</b>                | Applicable     | The party specified in Master Condition 9(a) | Applicable     |

### *Counterparty, Arranger and Agent-related Early Redemption Events*

|  |                |  |                |
|--|----------------|--|----------------|
| (vii) <b>Swap Termination Event:</b>                       | Applicable     | The party specified in Master Condition 9(a) | Applicable     |
| (viii) <b>Repo Agreement Termination Event:</b>            | Not Applicable | Not Applicable                               | Not Applicable |
| (ix) <b>Securities Lending Agreement Termination Event</b> | Applicable     | The party specified in Master Condition 9(a) | Applicable     |
| (x) <b>Swap Counterparty Replacement Failure Event:</b>    | Not Applicable | Not Applicable                               | Not Applicable |

|        |  |                |  |                |
|--------|--|----------------|--|----------------|
| (xi)   | <b>Agent Replacement Failure Event:</b>      | Applicable     | The party specified in Master Condition 9(a) | Applicable     |
| (xii)  | <b>Arranger Event:</b>                       | Not Applicable | Not Applicable                               | Not Applicable |
| (xiii) | <b>Series Reserve Account Balance Event:</b> | Not Applicable | Not Applicable                               | Not Applicable |

***Other Early Redemption Events***

|         |   |                                     |  |                |
|---------|---|-------------------------------------|--|----------------|
| (xiv)   | <b>Illegality Event:</b>                    | Applicable                          | The party specified in Master Condition 9(a) | Applicable     |
| (xv)    | <b>Regulatory Redemption Event:</b>         | Applicable                          | The party specified in Master Condition 9(a) | Applicable     |
| (xvi)   | <b>Benchmark Event:</b>                     | Not Applicable                      | Not Applicable                               | Not Applicable |
| (xvii)  | <b>Product Supplement Redemption Event:</b> | Not Applicable                      | Not Applicable                               | Not Applicable |
| (xviii) | <b>Additional Redemption Event:</b>         | Applicable – See paragraph 26 below | Swap Counterparty                            | Applicable     |

24. **Regulatory Event:** Applicable from the Trade Date
25. **Specified Regulatory Event:** Not Applicable
26. **Additional Redemption Event:** The occurrence of a Reference Agreement Additional Redemption Event or a NWM Group Additional Redemption Event, each as determined in the reasonable discretion of the Calculation Agent, shall each constitute an Additional Redemption Event. For such purposes:
- (A) **“Reference Agreement Additional Redemption Event”** means that, in respect of the transaction evidenced by a confirmation in the form in Annex A of the TRS2 Swap Confirmation (and entered pursuant to the securities lending agreement between Generali Insurance Asset Management S.p.A., Società di Gestione del Risparmio, acting as agent in the name and on behalf of Generali Vie (the **“Reference Lender”**) and NatWest Markets N.V. (as amended from time to time, the **“Reference Agreement”**)):
- (i) An Event of Default (as defined in the Reference Agreement) has occurred in respect of the Reference Agreement; or
  - (ii) the Reference Agreement is terminated for any reason other than as provided in (i) above.

|                              |  |   |
|------------------------------|--|---|
|                              |  | (B) “ <b>NWM Group Additional Redemption Event</b> ” means the occurrence of any event that results in NatWest Markets Plc and NatWest Markets N.V. ceasing to be Affiliates (as defined in the Master Terms and Conditions).   |
| 27.                          | <b>Value Trigger Level:</b>  | Not Applicable  |
| 28.                          | <b>Early Redemption Notification Period:</b>   | As per the definition of Early Redemption Notification Period in the Master Terms and Conditions.   |
| 29.                          | <b>Early Redemption Settlement Method (Master Condition 9(e) (Early Redemption Amount)):</b> | Instrumentholder Settlement Option, provided that in the event the Early Redemption Amount has become payable following a Reference Agreement Additional Redemption Event occurring as a result of an Event of Default (as defined in the Reference Agreement) in respect of the Reference Lender, then the Early Redemption Amount will be the Early Cash Redemption Amount as per Master Condition 9(e) ( <i>Early Redemption Amount</i> ).   |
| 30.                          | <b>Early Cash Redemption Amount:</b>   | As per the definition of Early Cash Redemption Amount set out in Annex 1 of these Series Terms.   |
| 31.                          | <b>Physical Redemption Amount:</b>   | As per the definition of Physical Redemption Amount set out in Annex 1 of these Series Terms.   |
| 32.                          | <b>Liquidation:</b>  | As per the definition of Liquidation in the Master Terms and Conditions.  |
| 33.                          | <b>Application of Liquidation Proceeds (Master Condition 13(a)):</b>                         | Counterparty Priority subject to the following amendments: <ol style="list-style-type: none"> <li>(1) firstly, in payment or satisfaction of any fees, costs, charges, expenses, liabilities of, and all other amounts owing to the Trustee or any receiver;</li> <li>(2) secondly, <i>pro rata</i> and <i>pari passu</i>, in payment of any amounts owing to the Custodian, Issuing and Paying Agent or the Agents;</li> <li>(3) thirdly, <i>pro rata</i> and <i>pari passu</i>, in payment of any fees, costs, charges, expenses, liabilities and all other amounts then due or owing to or the Calculation Agent and the Disposal Agent;</li> <li>(4) fourthly, <i>pro rata</i> and <i>pari passu</i> in payment to each Counterparty of an amount equal to the amounts due to the relevant Counterparty under TRS1, TRS2 and the Securities Lending Agreement as at such Issuer Application Date or Trustee Application Date (if any);</li> <li>(5) fifthly, <i>pro rata</i> and <i>pari passu</i> in payment of amounts due to holders of the Instruments; and</li> <li>(6) sixthly, in payment of the residual amount (if any) to the Company.</li> </ol> |
| <b>ISSUER CALL OPTION</b>    |  |   |
| 34.                          | <b>Issuer Call Option:</b>   | Not Applicable  |
| <b>PRODUCT SUPPLEMENT(S)</b> |  |   |
| 35.                          | <b>Applicable Product Supplement:</b>  | Not Applicable  |



## GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

- |     |  |   |
|-----|--|---|
| 36. | <b>Void Transfer/Forced Transfer:</b>              | Void Transfer: Applicable<br><br>Forced Transfer: Not Applicable  |
| 37. | <b>Form of Instruments:</b>                        |   |
|     | (i) <b>Form:</b>                                   | <b>Bearer</b><br><br>Temporary Global Bearer Instrument exchangeable for a Permanent Global Bearer Instrument which is exchangeable for definitive Bearer Instruments in the limited circumstances specified in the Permanent Global Bearer Instrument  |
|     | (ii) <b>Classic Global Note/New Global Note:</b>   | Classic Global Note   |
|     | (iii) <b>Held under New Safekeeping Structure:</b> | No  |
| 38. | <b>Business Day:</b>                               | London and TARGET   |
| 39. | <b>Business Centre(s):</b>                         | London and TARGET   |
| 40. | <b>Business Day Convention:</b>                    | Following Business Day Convention   |
| 41. | <b>Payment Business Day:</b>                       | London and TARGET   |
| 42. | <b>Payment Business Centre:</b>                    | London and TARGET   |
| 43. | <b>Payment Business Day Convention:</b>            | Following Business Day Convention   |
| 44. | <b>Transaction Documents:</b>                      | "Transaction Document" has the meaning given to it in the Master Terms and Conditions, save that in addition the Securities Lending Service Agreement and the Collateral Monitoring Service Agreement (as defined in the Securities Lending Agreement) and the Netting Deed shall each be a Transaction Document. |

## PROVISIONS RELATING TO REPLACEMENT OF AGENTS AND SWAP COUNTERPARTY AND ARRANGER EVENTS

- |     |                                      |                |
|-----|--------------------------------------|----------------|
| 45. | <b>Agent Replacement Event:</b>      |                |
|     | (i) <b>Agent Bankruptcy Event:</b>   | Applicable     |
|     | (ii) <b>Agent Downgrade Event:</b>   | Not Applicable |
| 46. | <b>Replacement Agents:</b>           |                |
|     | (i) <b>Issuing and Paying Agent:</b> | None specified |
|     | (ii) <b>Custodian:</b>               | None specified |
|     | (iii) <b>Registrar:</b>              | None specified |
|     | (iv) <b>Paying Agent:</b>            | None specified |
|     | (v) <b>Calculation Agent:</b>        | None specified |
|     | (vi) <b>Disposal Agent:</b>          | None specified |

|     |   |                |
|-----|---|----------------|
| 47. | <b>Additional Replacement Agent Eligibility Criteria:</b>             | Not Applicable |
| 48. | <b>Additional Disposal Agent Eligibility Criteria:</b>                | Not Applicable |
| 49. | <b>Swap Counterparty Replacement Event:</b>                           |                |
|     | (i) <b>Swap Event:</b>  | Not Applicable |
|     | (ii) <b>Downgrade Event:</b>  | Not Applicable |
| 50. | <b>Additional Replacement Swap Counterparty Eligibility Criteria:</b> | Not Applicable |
| 51. | <b>Replacement Swap Agreement:</b>                                    | Not Applicable |
| 52. | <b>Swap Counterparty Additional Auction Requirements:</b>             | Not Applicable |

#### TRANSACTION PARTIES

|     |   |  |
|-----|---|--|
| 53. | <b>Transaction Parties:</b>                         | As per the definition of Transaction Party in the Master Terms and Conditions                    |
| 54. | <b>Arranger:</b>                                    | NatWest Markets Plc  |
| 55. | <b>Trustee:</b>                                     | BNY Mellon Corporate Trustee Services Limited  |
| 56. | <b>Agents:</b>                                      |  |
|     | (i) <b>Calculation Agent:</b>                       | NatWest Markets Plc<br>Specified Office: 250 Bishopsgate London EC2M 4AA                         |
|     | (ii) <b>Custodian:</b>                              | The Bank of New York Mellon, London Branch<br>Specified Office: One Canada Square London E14 5AL |
|     | (iii) <b>Disposal Agent:</b>                        | NatWest Markets Plc<br>Specified Office: 250 Bishopsgate London EC2M 4AA                         |
|     | (iv) <b>Issuing and Paying Agent:</b>               | The Bank of New York Mellon, London Branch<br>Specified Office: One Canada Square London E14 5AL |
|     | (v) <b>Paying Agent(s):</b>                         | Not Applicable   |
|     | (vi) <b>Registrar:</b>                              | Not Applicable   |
|     | (vii) <b>Transfer Agent(s):</b>                     | Not Applicable   |
| 57. | <b>Seller of the initial Underlying Collateral:</b> | NatWest Markets Plc in its capacity as Party A under TRS2.                                       |

#### DISTRIBUTION

|     |   |  |
|-----|---|--|
| 58. | <b>Dealer:</b>                          | As per the definition of Dealer in the Master Terms and Conditions |
| 59. | <b>Method of distribution:</b>          | Non-syndicated   |
| 60. | <b>Applicable TEFRA exemption:</b>      | D Rules  |
| 61. | <b>Additional selling restrictions:</b> | Not Applicable   |

Signed on behalf of

Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING:

**Listing and admission to trading:** Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin for the Instruments to be admitted to the Official List of Euronext Dublin and for the Instruments to be admitted to trading on the regulated market of Euronext Dublin. No assurance can be given that such application to admit the Instruments to the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin will be successful.

**Estimate of total expenses related to admission to trading:** EUR 5,400

### 2. RATINGS:

**Ratings:** Not Applicable.

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER:

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.

The Dealer and its Affiliates have engaged and may engage in investment banking and/or commercial banking transactions with, and may perform the same for, the Issuer in the ordinary course of business.

### 4. OPERATIONAL INFORMATION

**ISIN:** XS2109317169

**Common Code:** 210931716

**CFI** DAZNFB

**FISN** LUNAR LUXEMBOUR/ZERO CPNEMTN 202502

**Clearing system(s) and any relevant identification number(s):** Euroclear Bank S.A./N.V. and Clearstream Banking, S.A.

**Delivery:** Delivery free of payment

**Intended to be held in a manner which would allow Eurosystem eligibility:** No.

**Section 871(m) Transaction:** The Issuer has determined that the Instruments should not be subject to withholding under Section 871(m) of the Code, and hereby instructs its agents and withholding agents that no withholding is required, unless such agent or withholding agent knows or has reason to know otherwise.

### 5. POST ISSUANCE INFORMATION

The Issuer does not intend to provide any post issuance information in relation to the Instruments or in relation to the Collateral, unless required to do so by applicable law.

### 6. DATE OF BOARD APPROVAL FOR ISSUANCE OF INSTRUMENTS OBTAINED

The issue of the Instruments has been authorised by the Board on 20 April 2020.

## ANNEX 1

### ADDITIONAL COLLATERAL AND REDEMPTION PROVISIONS ANNEX

**Early Cash Redemption Amount:** Where the Early Cash Redemption Amount has become payable as a consequence of:

- (A) an Early Redemption Event that is a No-Default Event, the Early Cash Redemption Amount shall be an amount determined by the Calculation Agent per Instrument equal to that Instrument's *pro rata* share of:
  - (i) any Termination Amount in respect of each of the Swap Agreements, which will be zero; plus
  - (ii) any Termination Amount in respect of the Securities Lending Agreement, which will be zero; plus
  - (iii) the Net Liquidation Proceeds in respect of the Liquidation of the Equivalent Securities delivered by the SL Counterparty pursuant to the Securities Lending Agreement and held by the Custodian on behalf of the Issuer on the relevant Early Redemption Date, provided that:
    - (a) for the avoidance of doubt, the amount of Equivalent Securities delivered by the SL Counterparty pursuant to the Securities Lending Agreement as described above will take account of the reduction (effected in accordance with the Securities Lending Agreement) of a nominal amount of Equivalent Securities having a Market Value equal to any applicable Unwind Costs (as such terms are defined in the Securities Lending Agreement), save that no such reduction shall apply where the No-Default Event has occurred as a result of a:
      - (I) Reference Agreement Additional Redemption Event resulting from an Event of Default (as defined in the Reference Agreement) occurring in respect of NatWest Markets N.V.; or
      - (II) NWM Group Additional Redemption Event; and
    - (b) any part of such Net Liquidation Proceeds that is not denominated in the Specified Currency shall be converted into the Specified Currency at the spot foreign exchange rates prevailing for sale of the relevant currency and purchase of the Specified Currency (as determined by the Calculation Agent); minus
  - (iv) any amounts ranking in priority to the Instrumentholders pursuant to Master Condition 13(a) (*Application of Liquidation Proceeds*);
- (B) an Early Redemption Event that is a NWM Default Event, the Early Cash Redemption Amount shall be an amount determined

by the Calculation Agent per Instrument equal to that Instrument's *pro rata* share of:

- (i) any Termination Amount in respect of each of the Swap Agreements, which will be zero; plus
  - (ii) any Termination Amount in respect of the Securities Lending Agreement, which will be zero; plus
  - (iii) the Net Liquidation Proceeds in respect of the Liquidation of the Collateral held by the Custodian on behalf of the Issuer on the relevant Early Redemption Date (provided that any part of such Net Liquidation Proceeds that is not denominated in the Specified Currency shall be converted into the Specified Currency at the spot foreign exchange rates prevailing for sale of the relevant currency and purchase of the Specified Currency (as determined by the Calculation Agent)); minus
  - (iv) any amounts ranking in priority to the Instrumentholders pursuant to Master Condition 13(a) (*Application of Liquidation Proceeds*); or
- (C) an Early Redemption Event that is an Issuer Default Event, the Early Cash Redemption Amount shall be an amount determined by the Calculation Agent per Instrument equal to that Instrument's *pro rata* share of:
- (i) any Termination Amount in respect of each of the Swap Agreements, which will be zero; plus
  - (ii) any Termination Amount in respect of the Securities Lending Agreement, provided that for the avoidance of doubt the calculation of such Termination Amount will take account of the reduction (effected in accordance with the Securities Lending Agreement) of a nominal amount of Equivalent Securities having a Market Value equal to any applicable Unwind Costs (as such terms are defined in the Securities Lending Agreement); plus
  - (iii) the Net Liquidation Proceeds in respect of the Liquidation of the Collateral held by the Custodian on behalf of the Issuer on the relevant Early Redemption Date (provided that any part of such Net Liquidation Proceeds that is not denominated in the Specified Currency shall be converted into the Specified Currency at the spot foreign exchange rates prevailing for sale of the relevant currency and purchase of the Specified Currency (as determined by the Calculation Agent)); minus
  - (iv) any amounts ranking in priority to the Instrumentholders pursuant to Master Condition 13(a) (*Application of Liquidation Proceeds*).

**Issuer Default Event:**

Each of the following events shall be an Issuer Default Event:

- (A) Swap Termination Event where the Issuer is a Defaulting Party (as defined in the Swap Agreement); and

- (B) Securities Lending Agreement Termination Event where the Issuer is a Defaulting Party (as defined in the Securities Lending Agreement).

**Physical Redemption Amount:**

Where the Physical Redemption Amount has become payable as a consequence of:

- (A) an Early Redemption Event that is a No-Default Event, the Physical Redemption Amount shall be:
  - (i) the aggregate of all Equivalent Securities (as defined in the Securities Lending Agreement) returned by the SL Counterparty pursuant to the Securities Lending Agreement and held by the Custodian on behalf of the Issuer in respect of the Instruments on the relevant Early Redemption Date provided that, for the avoidance of doubt, the amount of Equivalent Securities delivered by the SL Counterparty pursuant to the Securities Lending Agreement as aforesaid will take account of the reduction (effected in accordance with the Securities Lending Agreement) by a nominal amount of Equivalent Securities having a Market Value equal to any applicable Unwind Costs (as such terms are defined in the Securities Lending Agreement), save that no such reduction shall apply where the No-Default Event has occurred as a result of a:
    - (a) Reference Agreement Additional Redemption Event resulting from an Event of Default (as defined in the Reference Agreement) occurring in respect of NatWest Markets N.V.; or
    - (b) NWM Group Additional Redemption Event; minus
  - (ii) an amount of Collateral selected by the Disposal Agent with a market value as close as reasonably practicable (but not less than) the Physical Redemption Priority Payment Amount, as determined in the sole discretion of the Calculation Agent; plus
  - (iii) the Termination Amount in respect of any Counterparty Agreement that is payable to the Issuer (together, if applicable, with any interest payable thereon), which will be zero;
- (B) an Early Redemption Event that is a NWM Default Event, the Physical Redemption Amount shall be:
  - (i) the aggregate of all Collateral held by the Custodian on behalf of the Issuer in respect of the Instruments on the relevant Early Redemption Date; minus
  - (ii) an amount of Collateral selected by the Disposal Agent with a market value as close as reasonably practicable (but not less than) the Physical Redemption Priority Payment Amount, as determined in the sole discretion of the Calculation Agent; plus

- (iii) the Termination Amount in respect of any Counterparty Agreement that is payable to the Issuer (together, if applicable, with any interest payable thereon), which will be zero; or
- (C) an Early Redemption Event that is an Issuer Default Event, the Physical Redemption Amount shall be:
  - (i) the aggregate of all Collateral held by the Custodian on behalf of the Issuer in respect of the Instruments on the relevant Early Redemption Date; minus
  - (ii) an amount of Collateral selected by the Disposal Agent with a market value as close as reasonably practicable (but not less than) the Physical Redemption Priority Payment Amount, as determined in the sole discretion of the Calculation Agent; plus
  - (iii) the Termination Amount in respect of any Counterparty Agreement that is payable to the Issuer (together, if applicable, with any interest payable thereon).

**No-Default Event:**

Each of the following events shall be a No-Default Event:

- (A) Instrument Tax Event;
- (B) Issuer Tax Event;
- (C) Swap Termination Event, unless the Issuer or the Swap Counterparty are Defaulting Parties (as defined in the Swap Agreement);
- (D) Securities Lending Agreement Termination Event, unless the Issuer or the SL Counterparty are Defaulting Parties (as defined in the Securities Lending Agreement);
- (E) Illegality Event;
- (F) Regulatory Redemption Event;
- (G) Agent Replacement Failure Event;
- (H) Reference Agreement Additional Redemption Event, provided that if a Reference Agreement Additional Redemption Event occurs as a result of an Event of Default (as defined in the Reference Agreement) occurring in respect of NatWest Markets N.V. and a NWM Default Event has occurred and is continuing at that time, then no No-Default Event shall be deemed to have occurred; and
- (I) NWM Group Additional Redemption Event.

**NWM Default Event:**

Each of the following events shall be a NWM Default Event:

- (A) Swap Termination Event where the Swap Counterparty is a Defaulting Party (as defined in the Swap Agreement); and
- (B) Securities Lending Agreement Termination Event where the SL Counterparty is a Defaulting Party (as defined in the Securities Lending Agreement).

**Additional Provisions**

The following amendments shall be made to the Master Terms and Conditions of the Instruments:



(A) The Master Terms and Conditions – Definitions Annex shall be amended by:

- (i) deleting the definition of “Conditions to Delivery” and replacing it with the following definition:

“**Conditions to Delivery**” means, in respect of a delivery of the Physical Redemption Amount in relation to the Instruments, the Sole Instrumentholder has deposited all of the Instruments (in the case of Bearer Instruments) or the Certificate(s) representing all of the Instruments (in the case of Registered Instruments) and delivered an Exercise Notice at the Issuing and Paying Agent’s Specified Office.”

- (ii) in sub-paragraph (ii) of the definition of “Issuer Application Date”, deleting the words “the later of (a) the date falling three Business Days after the Physical Redemption Priority Payment Amount has been received by or on behalf of the Issuer and (b)”

- (iii) in limb (ii) of the definition of “Liquidation Commencement Date”, inserting the words “and the Disposal Agent has received an Early Redemption Notice” immediately after the words “Series Terms” therein.

- (iv) deleting the definition of “Physical Redemption Amount” and replacing it with the following definition:

“**Physical Redemption Amount**” means:

- (i) the aggregate of all Collateral held by or on behalf of the Issuer in respect of the Instruments on the relevant Early Redemption Date; *minus*

- (ii) an amount of Collateral selected by the Disposal Agent with a market value as close as reasonably practicable (but not less than) the Physical Redemption Priority Payment Amount, as determined in the sole discretion of the Calculation Agent; *plus*

- (iii) an amount of Collateral selected by the Disposal Agent with a market value as close as reasonably practicable (but not less than) the Termination Amount in respect of any Counterparty Agreement that is payable to the Issuer (together, if applicable, with any interest payable thereon).

- (v) deleting the definition of “Physical Redemption Priority Payment Amount” and replacing it with the following definition:

“**Physical Redemption Priority Payment Amount**” means an amount equal to the aggregate of all payment obligations of the Issuer ranking in priority to the Instrumentholders pursuant to Master Condition

13(a) (*Application of Liquidation Proceeds*), and shall include an amount equal to the costs and expenses (including any stamp or other Taxes) payable in connection with the delivery of the Physical Redemption Amount to the Sole Instrumentholder.”

- (B) Master Condition 9(g) (*Physical redemption procedure*) shall be amended by deleting the first and second paragraphs thereof and replacing it with the following wording:

“If a valid election to receive the Physical Redemption Amount is made by a Sole Instrumentholder pursuant to Master Condition 9(f) (*Instrumentholder Settlement Option procedure*), then on or before the day falling one Business Day following the Settlement Option Cut-Off Date, the Calculation Agent shall determine (i) the Physical Redemption Priority Payment Amount payable by the Issuer and (ii) the Physical Redemption Amount deliverable to the Sole Instrumentholder, and shall notify the Instrumentholders, the Issuer, the Trustee and the Issuing and Paying Agent of the same.

Subject to the remainder of this Master Condition 9(g) the Issuer shall procure the delivery, on the date on which the Early Redemption Amount is due, of the Physical Redemption Amount to the Sole Instrumentholder in respect of all Instruments outstanding on the relevant Early Redemption Date, in accordance with the instructions contained in the related Exercise Notice. The Issuer shall additionally procure that any Collateral retained by the Issuer as a function of limb (iii) of the definition of Physical Redemption Amount is Liquidated and the corresponding Redemption Priority Payment Amount is applied in accordance with Condition 13(a) (*Application of proceeds*).”

- (C) Master Condition 13(a) (*Application of proceeds*) shall be amended by inserting the words “or Physical Redemption Priority Payment Amount, as the case may be” after the words “Liquidation Proceeds” on the fourth line thereof.
- (D) Master Condition 23 (*Notices*) shall be amended by the inserting of the following as a new Master Condition 23(a) (*Provision of information regarding the Loaned Securities*):

“(c) **Provision of information regarding the Loaned Securities**

Instrumentholders may, on any Business Day, request from the SL Counterparty information regarding the composition of the Loaned Securities (as defined in the SL Confirmation) delivered pursuant to the Securities Lending Agreement and held by the SL Counterparty as of the preceding Business Day. The SL Counterparty has agreed in the SL Confirmation to provide such information to the Instrumentholders upon such a request (in the form it deems appropriate, in its sole and absolute discretion).”

**ANNEX 2**  
**TRS1 CONFIRMATION**

Dated: 7 May 2020

Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02  
46a, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Re: Total Return Swap Transaction – TRS1**

Dear Sir or Madam,

**Swap Confirmation to TRS1 in respect of the Series 2020-02 EUR 100,000,000 Secured Instruments due 2025, issued by Lunar Luxembourg S.A. acting in respect of its Compartment 2020-02**

The purpose of this communication (this “**Confirmation**”) is to set forth the terms and conditions of a total return swap transaction to be entered into between us on the Trade Date set forth below (the “**TRS1 Transaction**” or “**TRS1**”).

This Confirmation supplements, forms a part of, and is subject to, the 2002 ISDA Master Agreement deemed to have been entered into between NatWest Markets Plc (“**Party A**”) and Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02 (“**Party B**”) upon execution of the Constituting Document (as supplemented and / or amended from time to time, the “**Swap Agreement**”). The definitions and provisions contained in the 2006 ISDA Definitions (the “**Definitions**”) published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, the terms of this Confirmation shall govern. The Swap Agreement constitutes Swap Agreement 1 for the purposes of the Reference Instruments (as defined below).

Words and expressions defined in the Terms and Conditions (the “**Conditions**”) of the Reference Instruments set out in the Series Terms dated 5 May 2020 shall bear the same meanings in this Confirmation and in the event of any inconsistency between the words and expressions defined in the Conditions and words and expressions defined in this Confirmation, this Confirmation will govern.

For the avoidance of doubt, the date of the OTC derivative contract evidenced by this Confirmation for the purposes of Regulation (EU) No 648/2012 (EMIR) is the Effective Date, and any obligation in relation to the timely confirmation of derivative contracts arising under Article 11 thereof will arise from the Effective Date.

The terms of the particular Transaction to which this Confirmation relates are as follows:

**1. General Terms**

|                                       |  |
|---------------------------------------|--|
| Trade Date:                           | 29 April 2020  |
| Effective Date:                       | 7 May 2020   |
| Termination Date:                     | 7 May 2025, subject to early termination and adjustment in accordance with the Following Business Day Convention).   |
| Following Business Day Convention     | An adjustment will be made if the Termination Date would otherwise fall on a day that is not a Business Day so that the Termination Date will be the first following day that is a Business Day. |
| Reference Instruments:                | The EUR 100,000,000 Secured Instruments due 2025 issued by Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02 with ISIN XS2109317169 (the “ <b>Reference Instruments</b> ”).    |
| Reference Instruments Nominal Amount: | The aggregate nominal amount of Reference Instruments, being EUR 100,000,000.  |

|  |   |
|--|---|
| Initial Price:                             | 100%.   |
| Reference Instruments Initial Market Value | EUR 100,000,000.  |
| Business Days:                             | London and TARGET Settlement Days.  |
| Business Day Convention:                   | Following, which (unless otherwise stated) shall apply to any date referred to herein that falls on a day that is not a Business Day. |

## **2. Initial Exchange:**

|                                  |  |
|----------------------------------|--|
| Initial Exchange Date:           | Effective Date.  |
| Party A Initial Exchange Amount: | Party A shall pay to Party B an amount in EUR equal to the Reference Instruments Initial Market Value on the Initial Exchange Date.  |
| Party B Initial Exchange Amount: | <p>Party B shall deliver the Reference Instruments with an outstanding principal amount equal to the Reference Instruments Nominal Amount to Party A on the Initial Exchange Date.</p> <p>Party A and Party B have entered into the Dealer Agreement (as defined in the Conditions) in respect of the Reference Instruments. The Initial Exchange shall be subject to the terms of the Dealer Agreement in respect of the Reference Instruments.</p> |

## **3. Final Exchange:**

|                                   |  |
|-----------------------------------|--|
| Final Exchange Date:              | Termination Date.  |
| Party A Final Exchange Amount:    | <p>Party A shall deliver Equivalent Reference Instruments in respect of the Reference Instruments to Party B with an aggregate nominal amount equal to the Reference Instruments Nominal Amount on the Final Exchange Date.</p> <p>Upon delivery of the Party A Final Exchange Amount to Party B, Party B shall procure the cancellation of the Instruments in accordance with their terms and shall have no further obligations in respect thereof.</p>   |
| Party B Final Exchange Amount:    | On the Final Exchange Date, Party B shall pay to Party A an amount in EUR equal to the Reference Instruments Initial Market Value  |
| Equivalent Reference Instruments: | <p>Securities or instruments equivalent to the Reference Instruments. Securities or instruments are "equivalent to" the Reference Instruments if they are: (i) of the same issuer (or, in the event the original issuer of the Reference Instrument was substituted in accordance with the terms of the Reference Instrument, such substituted issuer); (ii) part of the same issue; and (iii) of an identical type, nominal value, description, ISIN or Common Code and amount as the relevant Reference Instruments, provided that:</p> <p>(a) where the Reference Instruments have been converted, subdivided or consolidated or have become the subject of a takeover or Party A has become entitled (or would have become entitled, if it had held the Reference Instruments at the relevant time) to receive or to acquire other securities or other property or the Reference Instruments have become subject to any similar event, the expression "equivalent to" will mean securities equivalent to the original Reference Instruments together with or replaced by securities or other property equivalent to (as so defined) that</p> |

receivable by Party A as a result of such event; and

- (b) if and to the extent that the Reference Instruments have been redeemed in accordance with their terms, the expression "Equivalent Reference Instruments" shall include any cash proceeds of redemption that has been received by Party A or would have been received by Party A if it had held the Reference Instruments at the relevant time.

#### **4. Floating Amounts:**

Floating Amount Payer: Party A.

Floating Amount Payment Dates: Each day on which Party A receives any interest amount or fee (or any similar amount other than any repayment of principal) in respect of the Reference Instruments pursuant to the Reference Agreement (as defined in the Series Terms in respect of the Reference Instruments) during the period from, and including, the Effective Date to, and including, the Termination Date.

Floating Amount Payments: On each Floating Amount Payment Date, Party A shall pay to Party B an amount equal to the interest amount or fee (or any similar amount other than any repayment of principal) received in respect of the Reference Instruments pursuant to the Reference Agreement on such Floating Amount Payment Date.

#### **5. Fixed Amounts:**

Fixed Amount Payment Dates: The day falling three months after the Effective Date and subsequently each day falling three months after the preceding Fixed Amount Payment Date, with the last Fixed Amount Payment Date being the Termination Date, in each case subject to the Following Business Day Convention.

Fixed Amount Payments: On each Fixed Amount Payment Date, Party B shall pay to Party A an amount equal to the aggregate of Loan Fees applicable to each day falling within the period from and including the previous Fixed Amount Payment Date to but excluding the Fixed Amount Payment Date on which such Fixed Amount Payment is due.

For such purpose:

**"Loan Fee"** means, in respect of a day, the product of (x) the Reference Instruments Nominal Amount on such day (y) the Financing Rate and (z) one (1) divided by 360.

**"Financing Rate"** means zero per cent.

#### **6. Early Termination Provisions:**

Payments on Early Termination Date: If this TRS1 Transaction terminates prior to the Termination Date (for whatever reason, including as a result of an Event of Default or Termination Event under the Swap Agreement), no termination payment shall be payable by either party in respect of the Transaction (and no amount shall be included in respect of the Transaction as part of the calculation to be made pursuant to Section 6(e) of the Swap Agreement) and neither party shall have any further liability in respect of the termination of the Transaction.

#### **7. Account Details:**

Account details for Party A: As per standard settlement instructions

Account details for Party B:                      Please provide details

and/or such other accounts as shall be advised by one Party to the other as and when necessary

Please confirm that the foregoing correctly sets forth the terms of our agreement by having an authorised signatory validly execute a copy of this Confirmation and return it to us.

Yours faithfully,

**NatWest Markets Plc**

---

Confirmed as of the date first above written:

**Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02**

---

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## ANNEX 3

### TRS2 CONFIRMATION

Dated: 7 May 2020

Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02  
46a, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Re: Total Return Swap Transaction – TRS2**

Dear Sir or Madam,

**Swap Confirmation to TRS2 in respect of the Series 2020-02 EUR 100,000,000 Secured Instruments due 2025, issued by Lunar Luxembourg S.A. acting in respect of its Compartment 2020-02**

The purpose of this communication (this “**Confirmation**”) is to set forth the terms and conditions of a total return swap transaction to be entered into between us on the Trade Date set forth below (the “**TRS2 Transaction**” or “**TRS2**”).

This Confirmation supplements, forms a part of, and is subject to, the 2002 ISDA Master Agreement deemed to have been entered into between NatWest Markets Plc (“**Party A**”) and Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02 (“**Party B**”) upon execution of the Constituting Document (as supplemented and / or amended from time to time, the “**Swap Agreement**”). The definitions and provisions contained in the 2006 ISDA Definitions (the “**Definitions**”) published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, the terms of this Confirmation shall govern. The Swap Agreement constitutes Swap Agreement 2 for the purposes of the Series 2020-02 EUR 100,000,000 Secured Instruments due 2025 issued by Party B (the “**Instruments**”).

Words and expressions defined in the Terms and Conditions (the “**Conditions**”) of the Instruments set out in the Series Terms dated 5 May 2020 shall bear the same meanings in this Confirmation and in the event of any inconsistency between the words and expressions defined in the Conditions and words and expressions defined in this Confirmation, this Confirmation will govern.

For the avoidance of doubt, the date of the OTC derivative contract evidenced by this Confirmation for the purposes of Regulation (EU) No 648/2012 (EMIR) is the Effective Date, and any obligation in relation to the timely confirmation of derivative contracts arising under Article 11 thereof will arise from the Effective Date.

The terms of the particular Transaction to which this Confirmation relates are as follows:

**1. General Terms**

|                                   |   |
|-----------------------------------|---|
| Trade Date:                       | 29 April 2020   |
| Effective Date:                   | 7 May 2020  |
| Termination Date:                 | 7 May 2025, subject to early termination and adjustment in accordance with the Following Business Day Convention.   |
| Following Business Day Convention | An adjustment will be made if the Termination Date would otherwise fall on a day that is not a Business Day so that the Termination Date will be the first following day that is a Business Day.  |
| Reference Agreement               | The securities lending agreement between NatWest Markets N.V. (the “ <b>Reference Borrower</b> ”) Generali Insurance Asset Management S.p.A., Società di Gestione del Risparmio, acting as agent in the name and on behalf of Generali Vie (the “ <b>Reference Lender</b> ”) dated 26 May 2017, together with the confirmation in the form in Annex A hereto. |
| Reference Securities:             | (i) On the Effective Date, the securities delivered by the Reference Lender to the Reference Borrower pursuant to the Reference   |

|   |   |
|---|---|
|   | Agreement on the Settlement Date (as defined in the Reference Agreement) (the " <b>Initial Reference Securities</b> ") and  |
|   | (ii) After the Effective Date, the Initial Reference Securities as substituted or replaced pursuant to the "Adjustment to the Reference Securities" provisions below.   |
| Reference Securities Nominal Amount:                | (i) On the Effective Date, the nominal amount of the Initial Reference Securities (the " <b>Initial Reference Securities Nominal Amount</b> "); and   |
|   | (ii) After the Effective Date, the nominal amount of the Initial Reference Securities as substituted or replaced pursuant to the "Adjustment to Reference Securities" provisions below.   |
| Initial Reference Securities Aggregate Market Value | EUR 100,000,000.  |
| Business Days:                                      | London and TARGET Settlement Days.  |
| Business Day Convention:                            | Following, which (unless otherwise stated) shall apply to any date referred to herein that falls on a day that is not a Business Day.   |
| Calculation Agent:                                  | Party A.  |
| <b>2. Initial Exchange:</b>                         |   |
| Initial Exchange Date:                              | Effective Date.   |
| Party A Initial Exchange Amount:                    | Party A shall deliver the Initial Reference Securities with an outstanding principal amount equal to the Initial Reference Securities Nominal Amount to Party B on the Initial Exchange Date.   |
| Party B Initial Exchange Amount:                    | On the Initial Exchange Date, Party B shall pay to Party A an amount in EUR equal to the Initial Reference Securities Aggregate Market Value on the Initial Exchange Date.  |
| <b>3. Final Exchange:</b>                           |   |
| Final Exchange Date:                                | The Termination Date.   |
| Party A Final Exchange Amount:                      | On the Final Exchange Date, Party A shall pay to Party B an amount in EUR equal to the Initial Reference Securities Aggregate Market Value.   |
| Party B Final Exchange Amount:                      | Party B shall deliver Equivalent Reference Securities to Party A with an aggregate nominal amount equal to the Reference Securities Nominal Amount in respect of the Reference Securities on the Final Exchange Date.   |
| Equivalent Reference Securities:                    | Securities equivalent to the Reference Securities. Securities are "equivalent to" the Reference Securities if they are: (i) of the same issuer; (ii) part of the same issue; and (iii) of an identical type, nominal value, description, ISIN or Common Code and amount as the relevant Reference Securities, provided that:  |
|   | (a) where the Reference Securities have been converted, subdivided or consolidated or have become the subject of a takeover or Party B has become entitled (or would have become entitled, if it had held the Reference Securities at the relevant time) to receive or to acquire other securities or other property or the Reference Securities have become subject to any similar event, the expression "equivalent to" will mean securities equivalent to the original Reference Securities together with or replaced by securities or other property equivalent to (as so defined) that receivable by Party |



B as a result of such event; and

- (b) if and to the extent that the Reference Securities have been redeemed in accordance with their terms, the expression "Equivalent Reference Securities" shall include any cash proceeds of redemption that has been received by Party B or would have been received by Party B if it had held the Reference Securities at the relevant time.

#### 4. Floating Amounts:

Floating Amount Payer: Party B.

Floating Amount Payment Dates: Each day on which Party B receives any amount (excluding any amount relating to any repayment of principal) in respect of the Reference Securities from NatWest Markets Plc (in its capacity as SL Counterparty) pursuant to the Securities Lending Agreement during the period from, and including, the Effective Date to, and including, the Termination Date.

Floating Amount Payments: On each Floating Amount Payment Date, Party B shall pay to Party A an amount equal to the amount (excluding any amount relating to any repayment of principal) received in respect of the Reference Securities on such Floating Amount Payment Date from NatWest Markets Plc (in its capacity as SL Counterparty) pursuant to the Securities Lending Agreement.

#### 5. Fixed Amounts:

Fixed Amount Payment Dates: The day falling three months after the Effective Date and subsequently each day falling three months after the preceding Fixed Amount Payment Date, with the last Fixed Amount Payment Date being the Termination Date, in each case subject to the Following Business Day Convention.

Fixed Amount Payments: On each Fixed Amount Payment Date, Party A shall pay to Party B an amount equal to the aggregate of Loan Fees applicable to each day falling within the period from and including the previous Fixed Amount Payment Date to but excluding the Fixed Amount Payment Date on which such Fixed Amount Payment is due.

For such purpose:

"**Loan Fee**" means, in respect of a day, the product of (x) the Reference Securities Nominal Amount on such day (y) the Financing Rate and (z) one (1) divided by 360.

"**Financing Rate**" means zero per cent.

#### 6. Adjustment to the Reference Securities

- (i) Adjustment following a substitution

Optional Substitution Date Each Optional Substitution Date as specified by the Reference Lender in the relevant Optional Substitution Notice (each as defined in the Reference Agreement) pursuant to Section D of the Reference Agreement.

Party A will deliver a copy of any Optional Substitution Notice received from the Reference Lender on the same day it is delivered by the Reference Lender to Party A.

Exchange on the Optional  
Substitution Date

If Reference Securities in respect of the Reference Agreement are substituted in accordance with Section D of the Reference Agreement, on the relevant Optional Substitution Date:

- (a) Party A shall deliver to Party B securities equivalent to the Optional New Securities (as defined in the Reference Agreement) (such securities being "**Optional New Reference Securities**").
- (b) Party B shall deliver to Party A securities equivalent to the Optional Substituted Securities (as defined in the Reference Agreement) (such securities being "**Optional Substituted Reference Securities**").

Such Optional New Reference Securities shall, upon their delivery to Party B, constitute "Reference Securities" for the purposes of this TRS2 Transaction together with any other Reference Securities which are not the subject of the substitution and the number and composition of the Reference Securities shall be deemed to be adjusted accordingly to account for the Optional New Reference Securities and the Optional Substituted Reference Securities delivered on the Optional Substitution Date.

Mandatory Substitution Date

Each Mandatory Substitution Date as specified by the Reference Lender in the relevant Mandatory Substitution Notice (each as defined in the Reference Agreement) pursuant to Section G of the Reference Agreement.

Party A will deliver a copy of any Mandatory Substitution Notice received from the Reference Lender to Party B on the same day it is delivered by the Reference Lender to the Reference Borrower.

Exchange on the Mandatory  
Substitution Date

If the Reference Securities in respect of the Reference Agreement are substituted in accordance with Section G of the Reference Agreement, then on the relevant Mandatory Substitution Date:

- (a) Party A shall deliver to Party B securities equivalent to the Mandatory New Securities (as defined in the Reference Agreement) (such securities being "**Mandatory New Reference Securities**").
- (b) Party B shall deliver to Party A securities equivalent to the Mandatory Substituted Securities (as defined in the Reference Agreement) (such securities being "**Mandatory Substituted Reference Securities**").

Such Mandatory New Reference Securities shall, upon their delivery to Party B, constitute "Reference Securities" for the purposes of this TRS2 Transaction together with any other Reference Securities which are not the subject of the substitution and the number and composition of the Reference Securities shall be deemed to be adjusted accordingly to account for the Mandatory New Reference Securities and the Mandatory Substituted Reference Securities delivered on the Mandatory Substitution Date.

(ii) Adjustment following a  
Loan Increase / Loan  
Decrease

Adjustment following a Loan  
Increase

Party A will deliver a copy of any Delivery Amount Notice (as defined in the Reference Agreement) that the Reference Borrower (or Party A on behalf of the Reference Borrower) delivers to the Reference Lender under the Reference Agreement to Party B on the same day it is delivered by the Reference Borrower to the Reference Lender.

Following the delivery of a Delivery Amount Notice pursuant to Section C of the Reference Agreement, on the relevant Loan Increase Settlement Date (as defined in the Reference Agreement), Party A shall transfer to Party B securities equivalent to the additional securities delivered by the Reference Lender to the Reference Borrower under the terms of the Reference Agreement (the “**Increase Securities**”).

Such Increase Securities so delivered by Party A to Party B shall constitute Reference Securities under this TRS2 Transaction together with existing Reference Securities and the number and composition of the Reference Securities shall be deemed to be adjusted accordingly to account for such additional securities so delivered.

Adjustment following a Loan Decrease

Party A will deliver a copy of any Return Amount Notice (as defined in the Reference Agreement) that the Reference Borrower receives from the Reference Lender under the Reference Agreement to Party B on the same day it is received by the Reference Borrower from the Reference Lender.

Following the delivery of a Return Amount Notice pursuant to Section C of the Reference Agreement, on the relevant Loan Decrease Settlement Date (as defined in the Reference Agreement), Party B shall deliver to Party A securities equivalent to the securities due to be delivered by the Reference Borrower to the Reference Lender under the terms of the Reference Agreement (the “**Decrease Securities**”).

Such Decrease Securities so delivered by Party B to Party A shall no longer constitute Reference Securities under this TRS2 Transaction and the number and composition of the Reference Securities shall be deemed to be adjusted accordingly to account for such securities so delivered.

## 7. Early Termination Provisions:

Payments on Early Termination Date:

If this TRS2 Transaction terminates prior to the Termination Date (for whatever reason, including as a result of an Event of Default or Termination Event under the Swap Agreement), no termination payment shall be payable by either party in respect of the Transaction (and no amount shall be included in respect of the Transaction as part of the calculation to be made pursuant to Section 6(e) of the Swap Agreement) and neither party shall have any further liability in respect of the termination of the Transaction.

## 8. Account Details:

Account details for Party A:

As per standard settlement instructions

Account details for Party B:

Please provide details

and/or such other accounts as shall be advised by one Party to the other as and when necessary

Please confirm that the foregoing correctly sets forth the terms of our agreement by having an authorised signatory validly execute a copy of this Confirmation and return it to us.

Yours faithfully,

**NatWest Markets Plc**

Confirmed as of the date first above written:

**Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02**

---

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Schedule to the TRS2 Swap Confirmation  
Confirmation in respect of Reference Agreement**

Dated: 7 May 2020

Generali Insurance Asset Management S.p.A. Società di Gestione del Risparmio  
2 rue Pillet-Will  
75309 Paris

Dear Sir or Madam,

**GMSLA Confirmation to the Agreement in respect of the Series 2020-02 EUR 100,000,000 Secured Instruments due 2025, issued by Lunar Luxembourg S.A. acting in respect of its Compartment 2020-02**

This Confirmation confirms the terms and conditions of a Loan to be entered into between NatWest Markets N.V. ("**Party A**") and Generali Insurance Asset Management S.p.A. Società di Gestione del Risparmio, acting as agent in the name and on behalf of Generali Vie ("**Party B**") and supplements and forms part of the Global Master Securities Lending Agreement (January 2010 Version), together with the Schedule thereto dated as of 26 May 2017 between Party A and Party B (as supplemented and / or amended from time to time, the "**Agreement**"). The Transaction evidenced by this Confirmation has been entered in connection with the Reference Instruments (as defined below).

All provisions contained in the Agreement and this Confirmation shall govern each Loan hereunder. Words and phrases used and not defined in this Confirmation shall have the meaning given to them in the Agreement. In the event of any inconsistency between the Agreement and this Confirmation, this Confirmation will prevail.

Words and expressions defined in the Terms and Conditions (the "**Conditions**") of the Reference Instruments set out in the Series Terms dated 5 May 2020 shall bear the same meanings in this Confirmation and in the event of any inconsistency between the words and expressions defined in the Conditions and words and expressions defined in this Confirmation, this Confirmation will govern.

To the extent that this Confirmation provides that a provision of the Agreement shall not apply or shall be amended pursuant to this Confirmation, such provision or amendment shall only apply in respect of the Loan which is the subject of this Confirmation and not, unless otherwise provided, in respect of any other Loan which is subject to the Agreement.

The terms of this Confirmation are as follows:

**Section A – General Terms**

|                    |  |
|--------------------|--|
| Trade Date:        | 29 April 2020  |
| Settlement Date:   | 7 May 2020   |
| Lender:            | Party B  |
| Borrower:          | Party A  |
| Loaned Securities: | Securities which meet the Loaned Securities Eligibility Criteria set out in Section F of this Confirmation with a Market Value on the Trade Date equal to the Target Value.<br><br>The Loaned Securities on the Settlement Date shall be as set out in Annex 1 hereto.   |
| Collateral:        | A nominal amount of the Reference Instruments equal to the Target Value.<br><br>For the purposes of paragraph 5.4 of the Agreement (and, for the avoidance of doubt, without prejudice to Paragraph 11 of the Agreement), the Market Value of the Collateral shall at all times be deemed to be equal to the Market Value of Securities equivalent to the Loaned Securities. |

|                             |   |
|-----------------------------|---|
| Target Value:               | EUR 100,000,000   |
| Reference Instruments:      | The Series 2020-02 EUR 100,000,000 Secured Instruments due 2025, issued by Lunar Luxembourg S.A. (" <b>Lunar</b> ") acting in respect of its Compartment 2020-02 (with ISIN: XS2109317169).   |
| Termination Date:           | The Scheduled Termination Date  |
| Scheduled Termination Date: | 7 May 2025, subject to early termination and adjustment in accordance with the Following Business Day Convention.<br><br>Paragraphs 8.1 ( <i>Lender's right to terminate a Loan</i> ) and 8.2 ( <i>Borrower's right to terminate a Loan</i> ) of the Agreement shall not apply. |

## Section B – Fees

|  |  |
|--|--|
| Rates in respect of Loaned Securities:       | Paragraph 7.1 ( <i>Rates in respect of Loaned Securities</i> ) of the Agreement shall be deleted in its entirety and replaced with the following:<br><br>"In respect of each Loan and a Fee Calculation Period, Borrower shall pay to Lender the aggregate of the Loan Fees applicable to each day falling within such Fee Calculation Period."  |
| Loan Fee:                                    | In respect of a day, the product of (x) the Target Value of the Loaned Securities for such day, (y) the Loan Fee Percentage and (z) one (1) divided by 360.  |
| Loan Fee Percentage:                         | 0.55 per cent.   |
| Fee Calculation Date:                        | Settlement Date, and subsequently each day falling three months after the preceding Fee Calculation Date, in each case subject to the Following Business Day Convention  |
| Fee Payment Date:                            | The day falling three months after the Settlement Date, and subsequently each day falling three months after the preceding Fee Payment Date, with the last Fee Payment Date being the Termination Date, in each case subject to the Following Business Day Convention  |
| Fee Calculation Period:                      | From and including the last Fee Calculation Date to but excluding the following Fee Calculation Date, provided that the first Fee Calculation Period shall commence on the Settlement Date, and the last Fee Calculation Period shall end on but exclude the Termination Date<br><br>Paragraph 7.3 ( <i>Payment of rates</i> ) of the Agreement is deleted in its entirety and replaced with the following:<br><br>"The payments referred to in paragraph 7.1 shall accrue daily with the Loan Fee for each day falling within a Fee Calculation Period being payable to Lender in arrear on the Fee Payment Date immediately following the Fee Calculation Period to which such payments relate." |
| No rates or Income in respect of Collateral: | Paragraph 7.2 ( <i>Rates in respect of Cash Collateral</i> ) of the Agreement shall not apply.<br><br>In addition, no interest is payable in respect of the Reference Instruments and accordingly no Income shall be payable by the Lender in respect of the Collateral.   |
| Following Business Day Convention:           | An adjustment will be made if the Termination Date or any Fee Payment Date or Fee Calculation Date would otherwise fall on a day that is not a Business Day so that the Termination Date, the Fee Payment Date or Fee  |

Calculation Date (as the case may be) will be the first following day that is a Business Day.

### **Section C – Loan Increase and Loan Decrease**

Loan Increase:

If on any Business Day that falls after the Settlement Date (each such Business Day, a “**Reset Date**”) there is a Delivery Amount, then the Borrower (or NatWest Markets Plc on behalf of the Borrower) may send a notice to the Lender (a “**Delivery Amount Notice**”) and the Lender will on the Loan Increase Settlement Date lend to the Borrower additional Eligible Securities having a Market Value as of the date of transfer no less than the applicable Delivery Amount. The Delivery Amount applicable to the Lender for any Reset Date will equal the amount by which:

- (i) the Target Value  
exceeds
- (ii) the Market Value, on such Reset Date, of the Loaned Securities (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant date of settlement falls on or after such Reset Date)

provided that such amount is greater than the Reset Amount (such amount being the “**Delivery Amount**”).

The Eligible Securities so delivered by Lender to Borrower shall constitute Loaned Securities under the Loan together with existing Loaned Securities and the number and composition of the Loaned Securities shall be deemed to be adjusted accordingly to account for such additional Eligible Securities so delivered.

Loan Increase Settlement Date:

3 Business Days following the delivery of the applicable Delivery Amount Notice.

Loan Decrease:

If on any Reset Date there is a Return Amount, then the Lender may send a notice to the Borrower (with a copy to NatWest Markets Plc) (a “**Return Amount Notice**”) and the Borrower will on the Loan Decrease Settlement Date deliver to the Lender Equivalent Securities having a Market Value as of the date of transfer as close as practicable to the applicable Return Amount. The Return Amount applicable to the Borrower for any Reset Date will equal the amount by which:

- (i) the Market Value, on such Reset Date, of the Loaned Securities (adjusted to include any prior Delivery Amount as defined above and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant date of settlement falls on or after such Reset Date)

exceeds

- (ii) the Target Value

provided that such amount is greater than the Reset Amount (such amount being the “**Return Amount**”).

The Equivalent Securities so delivered by Borrower to Lender shall no longer constitute Loaned Securities under the Loan and the number and composition

of the Loaned Securities shall be deemed to be adjusted accordingly to account for the Equivalent Securities so delivered.

Loan Decrease Settlement Date: 3 Business Days following the delivery of the applicable Return Amount Notice

Reset Amount: An amount equal to 2.5% of the Target Value, being EUR 2,500,000.

Notwithstanding anything in the Agreement, the Applicable Minimum Transfer Amount for the purposes of any Loan Increase or Loan Decrease shall be zero.

Paragraph 5 (*Collateral*) Paragraph 5 (*Collateral*) shall not apply for the purposes of the Loan only.

#### **Section D – Optional Substitution of Loaned Securities**

Lender may, by providing not less than 10 Business Days' notice in writing to Borrower (with a copy to NatWest Markets Plc) (an "**Optional Substitution Notice**") specifying a Business Day (the "**Optional Substitution Date**"), direct the Borrower to deliver to Lender Securities equivalent to any amount and description of Loaned Securities specified in such Optional Substitution Notice against which Lender shall deliver to Borrower on the same Optional Substitution Date an amount of Eligible Securities so that the aggregate Market Value of the Loaned Securities would be equal to or in excess of the Target Value. The Eligible Securities to be delivered on any Optional Substitution Date by Lender to Borrower shall be the "**Optional New Securities**" and the Equivalent Securities to be delivered on any Optional Substitution Date by Borrower to Lender shall be the "**Optional Substituted Securities**".

Following receipt of an Optional Substitution Notice Borrower shall deliver to Lender on the Optional Substitution Date the Optional Substituted Securities against which Lender shall deliver to Borrower the Optional New Securities on the Optional Substitution Date.

An Optional Substitution Notice will be irrevocable.

Such Optional New Securities shall, upon their delivery to Borrower, constitute "Loaned Securities" for the purposes of the Loan together with any other Loaned Securities which are not the subject of the relevant Optional Substitution Notice and the number and composition of the Loaned Securities shall be deemed to be adjusted accordingly to account for Optional New Securities and the Optional Substituted Securities delivered on the Optional Substitution Date.

#### **Section F – Loaned Securities Eligibility Criteria**

Following the Settlement Date, each security that is the subject of a Loan must at all times:

- (i) be a debt security issued by France;
- (ii) be denominated in Euro;
- (iii) have a fixed, bullet maturity;
- (iv) other than the Loaned Securities delivered on the Settlement Date, have a maturity date no greater than 20 years from the relevant Optional Substitution Date or Mandatory Substitution Date, as applicable;



- (v) be a debt security whose payment is a fixed rate, or a zero-coupon security;
- (vi) form part of a single fungible class of securities with an aggregate face amount equal to or greater than EUR 1 billion.

in each case, as such criteria may be amended by the Parties from time to time. Securities complying with the above eligibility criteria shall be “**Eligible Securities**” for the purposes of the Agreement and this Confirmation.

Notwithstanding the criteria above and in particular subsection (iv), debt securities with the ISIN FR0011461037 shall also be considered Eligible Securities for the purposes of this Agreement and this Confirmation.

In the event any Loaned Securities no longer meet the Loaned Securities Eligibility Criteria on any Business Day then the Lender shall substitute the relevant Ineligible Loaned Securities (as defined below) in accordance with Section G below.

### **Section G – Mandatory Substitution of Ineligible Loaned Securities**

If on any Business Day one or more Loaned Securities no longer meet the Loaned Securities Eligibility Criteria (such Loaned Securities being “**Ineligible Loaned Securities**”), then, within 1 Business Day of the Lender becoming aware of the same or being notified thereof by the Borrower (or NatWest Markets Plc on behalf of the Borrower):

- (i) the Lender shall:
  - (a) send a notice to the Borrower (with a copy to NatWest Markets Plc) giving details of such Ineligible Loaned Securities (the “**Mandatory Substitution Notice**”) and confirming the date on which the Mandatory New Securities and Mandatory Substituted Securities (each as defined below) shall be delivered in accordance with the below, which shall be no later than the third Business Day following the day on which the Lender became aware of or was notified of (as the case may be) the existence of any Ineligible Loaned Securities (the “**Mandatory Substitution Date**”); and
  - (b) deliver to the Borrower on the Mandatory Substitution Date Securities that comply with the Loaned Securities Eligibility Criteria as of such date (“**Mandatory New Securities**”) (so that the aggregate Market Value of the Loaned Securities following such delivery would be equal to or in excess of the Target Value, discounting for such purposes the Market Value of the Ineligible Loaned Securities); and
- (ii) the Borrower shall deliver to the Lender on the Mandatory Substitution Date Securities equivalent to the Ineligible Loaned Securities (“**Mandatory Substituted Securities**”).

Such Mandatory New Securities shall, upon their delivery to the Borrower, constitute “Loaned Securities” for the purposes of the Loan together with any other Loaned Securities which were not the subject of the substitution and the number and composition of the Loaned Securities shall be deemed to be adjusted accordingly to account for Mandatory New Securities and the Mandatory Substituted Securities.

## Section H – Other

Payments and deliveries upon an Early Termination Event

If an Early Redemption Notice Date has been designated in respect of the Reference Instruments (as such term is defined in the Conditions of the Reference Instrument) (an “**Early Termination Event**”), then:

- (i) if the Early Termination Event has occurred in circumstances that also constitute a No-Default Event in respect of the Reference Instruments (as such term is defined in the Conditions of the Reference Instruments), then the Loan shall terminate automatically but (notwithstanding paragraph 8 of the Agreement) without any obligation for Borrower to deliver to Lender any Equivalent Securities or for Lender to deliver to Borrower any Cash Collateral or any Collateral equivalent to the Collateral provided by Borrower to Lender; or
- (ii) if the Early Termination Event has occurred in circumstances that also constitute a NWM Default Event or Issuer Default Event in respect of the Reference Instruments (as each such terms are defined in the Conditions of the Reference Instruments), then the Loan shall terminate automatically, as if Borrower had exercised the right to terminate all Loans on the terms set out in Paragraph 8.1 for immediate delivery and, in such circumstances, Borrower shall be immediately required to deliver Equivalent Securities to Party B and Lender shall be immediately required to deliver Cash Collateral and Collateral equivalent to the Collateral provided by Borrower in respect of such Loan to Borrower,

and subject to the foregoing neither party shall have any further liability in respect of the termination of the Loan, provided that nothing in the foregoing shall extinguish the obligation of Borrower to pay to Lender any Loan Fee due and payable (but not paid) as of the date on which the Early Termination Event occurred.

Selling restrictions in respect of the Reference Instruments:

Lender agrees that it shall not sell, transfer or dispose of the Reference Instruments to any person or entity.

Notices

Lender agrees that (i) it will provide a copy of any notice delivered to the Borrower in respect of this Confirmation to NatWest Markets Plc and (ii) any notice sent by the Borrower to the Lender in respect of this Confirmation may be delivered by NatWest Markets Plc on behalf of the Borrower.

Borrower agrees that it will procure that a copy of any report it receives from Euroclear Bank SA/NV in respect of the Securities Lending Service Agreement (as defined in the Conditions of the Reference Instruments) and the Collateral Securities (as defined in the Securities Lending Agreement in respect of the Reference Instruments) is sent to Lender on each Business Day, provided that if Borrower receives such report from Euroclear Bank SA/NV after 4:00 p.m. (London time) it may procure that a copy of such report is sent to Lender on the following Business Day.

Any notice or other communication in respect of this Confirmation (including to or from NatWest Markets Plc) may be given in any manner set forth in Paragraph 20 (*Notices*) of the Agreement to the address or number or in accordance with the electronic messaging system details set out in Annex 2 hereto.

Third Party Rights

Notwithstanding Paragraph 27.10 or any other term of the Agreement, the parties agree that (i) this Confirmation and the Agreement may be disclosed

to NatWest Markets Plc and (ii) NatWest Markets Plc has rights under the Contracts (*Rights of Third Parties*) Act 1999 to enforce any term of the Agreement which confers a benefit on it.

Party A represents to Party B on the date of this Confirmation that:

- (i) **Non reliance:** It is acting for its own account and it has made its own independent decisions to enter into the Loan and as to whether the Loan is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of Party B as investment advice or as a recommendation to enter into the Loan; it being understood that information and explanations related to the terms and conditions of the Loan shall not be considered investment advice or a recommendation to enter into the Loan. It has not received from Party B any assurance or guarantee as to the expected results of the Loan.
- (ii) **Assessment and undertaking:** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice) and understands and accepts, the terms, conditions and risks of the Loan. It is also capable of assuming, and assumes, the financial and other risks of the Loan.
- (iii) **Status of parties:** Party B is not acting as a fiduciary or an adviser for it in respect of the Loan.

Party B represents to Party A on the date of this Confirmation and for so long as this Confirmation is in full force and effect that:

- (i) **Non reliance:**
  - (a) It is acting for its own account and it has made its own independent decisions to enter into the Loan and as to whether the Loan is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary.
  - (b) It is not relying on any communication (written or oral) of Party A as investment advice or as a recommendation to enter into the Loan; it being understood that information and explanations related to the terms and conditions of the Loan shall not be considered investment advice or a recommendation to enter into the Loan.
  - (c) It has not received from Party A any assurance or guarantee as to the expected results of the Loan.
  - (d) It is not relying (for the purposes of making any investment decision or otherwise) directly or indirectly upon any advice, counsel or representations on any communication (written or oral) of Party A, NatWest Markets Plc or any of their affiliates (including any directors, officers or employees thereof) other than as set out in the Series Prospectus (such Series Prospectus, which it acknowledges do not include any advice, counsel or representations of Party A, NatWest Markets Plc or any of their affiliates (including directors, officers and employees thereof)) read together with the Base Prospectus, in making any decision in relation to the Loan, or on any representation made by Party A, NatWest Markets Plc or any of their affiliates with respect to the transactions contemplated therein; it being understood that information and explanations related to the terms and conditions of the Loan shall not be considered investment advice or a recommendation to enter into the Loan. It has not received from Party A, NatWest Markets Plc or any of their affiliates any assurance or guarantee as to the expected results of the Loan.
- (ii) **Assessment and undertaking:**
  - (a) It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice) and understands and accepts, the terms, conditions and risks of the Loan.
  - (b) It is also capable of assuming, and assumes, the financial and other risks of the Loan.

- (c) It has made its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of, Lunar and the transaction parties in respect of the Reference Instruments, has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary or desirable in connection with its decision to agree that the Reference Instruments may be posted as Collateral in respect of the Loan, and it has made its own investment decisions based upon its own judgement and upon any advice from such advisers as it has deemed necessary or desirable in connection with the decision that the Reference Instruments may be posted as Collateral in respect of the Loan and not upon any view expressed by Party A, NatWest Markets Plc or any of their affiliates (including any directors, officers or employees thereof).
- (iii) **Status of parties:** Neither Party A, NatWest Markets Plc or any of their affiliates (including any directors, officers or employees thereof) is acting as a fiduciary for, or an investment or financial adviser to, it in respect of the Loan.
- (iv) **Type of investor:** It is a sophisticated professional investor with such knowledge and experience in financial and business matters as to be capable of evaluating the risks, merits and suitability of the Loan generally and in entering into transactions involving securities issued by special purpose vehicles based on an independent assessment of the transaction and such other matters as it may deem to be necessary or desirable.
- (v) **Terms and conditions:** It has received and carefully read the Series Prospectus and the Base Prospectus, paying particular attention to the section entitled "Risk Factors" in the Base Prospectus and the sections entitled "Transaction Overview" and "Risk Factors" in the Series Prospectus, and agrees to the terms and conditions of the Reference Instruments.
- (vi) **Accuracy or completeness of statements:** Neither Party A, NatWest Markets Plc or any of their affiliates (including any directors, officers or employees thereof) accepts any liability or responsibility nor makes any representations or warranty as to the accuracy or completeness of any statements made or information contained in the description of the transaction set out in the Series Prospectus or the Base Prospectus, or otherwise made or provided (orally or in writing) in connection with the Reference Instruments.

Please confirm that the foregoing correctly sets forth the terms of our agreement by having an authorised signatory validly sign and return a copy of this Confirmation.

Yours sincerely,

**NatWest Markets N.V.**

By:

Name:

Date:

Accepted and confirmed as of the date first written above:

**Generali Insurance Asset Management S.p.A. Società di Gestione del Risparmio** acting as agent in the name and on behalf of **Generali Vie**

By:

Name:

Date:

# Annex 1

| Description       | ISIN         | Nominal    | Portfolio Allocation       |
|-------------------|--------------|------------|----------------------------|
| FRTR 1 ¾ 06/25/39 | FR0013234333 | 23,200,000 | Generali Vie FGA           |
| FRTR 3 ½ 04/25/26 | FR0010916924 | 17,000,000 | Generali Vie FGA           |
| FRTR 4 ¾ 04/25/35 | FR0010070060 | 30,150,000 | Generali Vie Retraite 2008 |

## **Annex 2**

### **Address for notices or other communications**

**(a) Address for notices or communications to Party A:**

As set out in the Schedule to the Agreement.

**(b) Address for notices or communications to Party B:**

As set out in the Schedule to the Agreement.

**(c) Address for notices or communications to NatWest Markets Plc:**

NatWest Markets Plc  
250 Bishopsgate, London EC2M 4AA, United Kingdom

Tel: +44 20 7678 4474

Email: [RepackMO@natwestmarkets.com](mailto:RepackMO@natwestmarkets.com)

Attention: NatWest Markets Plc/Lunar Luxembourg S.A.

**ANNEX 4**  
**SL CONFIRMATION**

Dated: 7 May 2020

Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02  
46a, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

Dear Sir or Madam,

**GMSLA Confirmation to the Securities Lending Agreement in respect of the Series 2020-02 EUR 100,000,000 Secured Instruments due 2025, issued by Lunar Luxembourg S.A. acting in respect of its Compartment 2020-02**

This Confirmation confirms the terms and conditions of a Loan to be entered into between NatWest Markets Plc (“**Party A**”) and Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02 (“**Party B**”) and supplements and forms part of the Global Master Securities Lending Agreement (January 2010 Version), together with the Schedule thereto, deemed to have been entered into by Party A and Party B upon execution of the Constituting Document (as supplemented and / or amended from time to time, the “**Securities Lending Agreement**”). The Securities Lending Agreement constitutes the Securities Lending Agreement for the purposes of the Series 2020-02 EUR 100,000,000 Secured Instruments due 2025, issued by Party B (the “**Instruments**”).

All provisions contained in the Securities Lending Agreement (including the Schedule to the Master Securities Lending Terms, incorporated by reference into the Constituting Document) and this Confirmation shall govern each Loan hereunder. Words and phrases used and not defined in this Confirmation shall have the meaning given to them in the Securities Lending Agreement. In the event of any inconsistency between the Securities Lending Agreement and this Confirmation, this Confirmation will prevail.

Words and expressions defined in the Terms and Conditions (the “**Conditions**”) of the Instruments set out in the Series Terms dated 5 May 2020 shall bear the same meanings in this Confirmation and in the event of any inconsistency between the words and expressions defined in the Conditions and words and expressions defined in this Confirmation, this Confirmation will govern.

To the extent that this Confirmation provides that a provision of the Securities Lending Agreement shall not apply or shall be amended pursuant to this Confirmation, such provision or amendment shall only apply in respect of the Loan which is the subject of this Confirmation and not, unless otherwise provided, in respect of any other Loan which is subject to the Securities Lending Agreement.

The terms of this Confirmation are as follows:

**Section A – General Terms**

|                              |   |
|------------------------------|---|
| Trade Date:                  | 29 April 2020   |
| Settlement Date:             | 7 May 2020  |
| Lender:                      | Party B   |
| Borrower:                    | Party A   |
| Loaned Securities:           | Securities which have been delivered to Party B pursuant to TRS2 on the Effective Date (as defined in TRS2), as amended pursuant to the “Adjustment to Loaned Securities” provisions below. |
| Collateral:                  | The Collateral Securities as defined in Annexes I and II to the Securities Lending Service Agreement (as defined in the Conditions).  |
| Securities Lending End Date: | 7 May 2025, subject to early termination and adjustment in accordance with the Following Business Day Convention).  |

|                                   |   |
|-----------------------------------|---|
| Following Business Day Convention | An adjustment will be made if the Securities Lending End Date would otherwise fall on a day that is not a Business Day so that the Securities Lending End Date will be the first following day that is a Business Day |
|-----------------------------------|---|

|      |   |
|------|---|
| TRS2 | The total return swap transaction described as "TRS2" entered into between NatWest Markets Plc and Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02 on or around the Trade Date. |
|------|---|

**Section B – Fees**

|         |      |
|---------|------|
| SL Fee: | Zero |
|---------|------|

|                                    |   |
|------------------------------------|---|
| No rates in respect of Collateral: | The interest rate(s) applicable to Cash Collateral shall be zero. |
|------------------------------------|---|

**Section C – Adjustment to the Loaned Securities**

(i) Adjustment following a substitution

|                            |  |
|----------------------------|--|
| Optional Substitution Date | Each Optional Substitution Date (as defined in TRS2) |
|----------------------------|--|

|  |  |
|--|--|
| Exchange on the Optional Substitution Date | If the Reference Securities in respect of TRS2 are substituted in accordance with the "Exchange on the Optional Substitution Date" provisions in TRS2, on the relevant Optional Substitution Date: |
|--|--|

- |     |  |
|-----|--|
| (a) | Party A shall transfer to Party B the applicable Optional Substituted Reference Securities (as defined in TRS2). |
| (b) | Party B shall transfer to Party A the applicable Optional New Reference Securities (as defined in TRS2).         |

Such Optional New Reference Securities shall, upon their delivery to Party A, constitute "Loaned Securities" for the purposes of the Loan together with any other Loaned Securities which are not the subject of the substitution and the number and composition of the Loaned Securities shall be deemed to be adjusted accordingly to account for the Optional New Reference Securities and the Optional Substituted Reference Securities delivered on the Optional Substitution Date.

|                             |   |
|-----------------------------|---|
| Mandatory Substitution Date | Each Mandatory Substitution Date (as defined in TRS2) |
|-----------------------------|---|

|   |  |
|---|--|
| Exchange on the Mandatory Substitution Date | If the Reference Securities in respect of TRS2 are substituted in accordance with the "Exchange on the Mandatory Substitution Date" provisions in TRS2, on the relevant Mandatory Substitution Date: |
|---|--|

- |     |   |
|-----|---|
| (a) | Party A shall transfer to Party B the applicable Mandatory Substituted Reference Securities (as defined in TRS2). |
| (b) | Party B shall transfer to Party A the applicable Mandatory New Reference Securities (as defined in TRS2).         |

Such Mandatory New Reference Securities shall, upon their delivery to Party A, constitute "Loaned Securities" for the purposes of the Loan together with any other Loaned Securities which are not the subject of the substitution and the number and composition of the Loaned Securities shall be deemed to be adjusted accordingly to account for the Mandatory New Reference Securities and the Mandatory Substituted Reference Securities delivered on the Mandatory Substitution Date.



(ii) Adjustment following a Loan Increase / Loan Decrease

Adjustment following a Loan Increase

On each Loan Increase Settlement Date (as defined in TRS2), Party B shall transfer to Party A securities equivalent to the additional securities delivered by NatWest Markets Plc pursuant to TRS2 ("**Increase Securities**").

Such Increase Securities so delivered by Party B to Party A shall constitute Loaned Securities together with existing Loaned Securities and the number and composition of the Loaned Securities shall be deemed to be adjusted accordingly to account for such additional securities so delivered.

Adjustment following a Loan Decrease

On each Loan Decrease Settlement Date (as defined in TRS2), Party A shall transfer to Party B securities equivalent to the securities due to be delivered by Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02 pursuant to TRS2 ("**Decrease Securities**").

Such Decrease Securities so delivered by Party A to Party B shall no longer constitute Loaned Securities and the number and composition of the Loaned Securities shall be deemed to be adjusted accordingly to account for such securities so delivered.

Notices in respect of Optional Substitutions, Mandatory Substitutions, Loan Increases and Loan Decreases

The Parties shall ensure that any notices required to be provided to Euroclear Bank SA/NV in order to effect the transfers described in this Section C and Section D are provided by the time and in the form required by Euroclear Bank SA/NV from time to time.

**Section D – Substitution of ABS Collateral**

Collateral Monitoring Agent:

The Parties have agreed that a third party agent should assist with the verification of the Collateral where such collateral are asset backed securities (which for the avoidance of doubt includes mortgage backed securities) referred collectively as "**ABS Collateral**" to be delivered under the Securities Lending Service Agreement.

The Parties hereby agree that the weighted average life ("**WAL**") of ABS Collateral shall not exceed 10 years (and a WAL exceeding 10 years shall be referred to as a "**Non-Compliant WAL**").

In the event that any ABS Collateral has a Non-Compliant WAL, then such ABS Collateral shall be replaced within 5 Business Days of the relevant notification, in accordance with the provisions specified below.

For this purpose, Party A has signed a collateral monitoring service agreement (the "**Collateral Monitoring Service Agreement**") with The Bank of New York Mellon SA/NV, Dublin Branch (the "**Collateral Monitoring Agent**").

The Collateral Monitoring Agent shall deliver a report to Party A no later than 4.00pm (London time) on each Business Day confirming the WAL status of the ABS Collateral (the "**WAL Report**").

If the Collateral Monitoring Agent notifies Party A of any ABS Collateral with a Non-Compliant WAL on any Business Day, and Party A agrees with such determination, then Party A shall instruct Euroclear Bank SA/NV to replace such ABS Collateral with such other Collateral complying with the eligibility criteria specified in the Securities Lending Service Agreement

and, if applicable, the Collateral Monitoring Service Agreement within 5 Business Days of such notification.

If Party A, acting in good faith and in a commercially reasonable manner, disputes the determination of a Non-Compliant WAL provided by the Collateral Monitoring Agent in respect of any ABS Collateral, then it shall notify the Collateral Monitoring Agent on the Business Day immediately following receipt of the WAL Report that it disputes such WAL status (the “**Dispute Notice**”) and accordingly shall not instruct Euroclear Bank SA/NV to replace such ABS Collateral. The Collateral Monitoring Agent and Party A shall use reasonable efforts to resolve such dispute.

If such a dispute is continuing for 5 Business Days, then notwithstanding that such dispute remains outstanding, the ABS Collateral with the Non-Compliant WAL, as determined by the Collateral Monitoring Agent, shall be substituted and Party A shall instruct Euroclear Bank SA/NV to replace such ABS Collateral within 5 Business Days of the delivery of the Dispute Notice with Collateral complying with the eligibility criteria specified in the Securities Lending Service Agreement and, if applicable, the Collateral Monitoring Service Agreement.

Failure of the Collateral Monitoring Agent to perform obligations:

If the Collateral Monitoring Agent does not provide the WAL Report to Party A for a period of 5 consecutive Business Days, Party A hereby undertakes to notify Party B of such failure at the expiry of such period, and both Parties will use reasonable efforts to amend the Securities Lending Service Agreement as soon as practicable after the expiry of the applicable period by procuring that the Collateral eligibility criteria shall exclude ABS Collateral with a stated legal maturity in excess of 15 years.

## Section E – Other

Payments on SL Termination Events or Event of Default:

### Payments on SL Termination Event – No-Default Event

If:

- (a) a SL Termination Event occurs due to the occurrence of an Early Redemption Notice Date pursuant to limb (a) of the definition of SL Termination Event; and
- (b) the Early Redemption Notice Date referred to in (a) above has been designated as a result of a No-Default Event (as defined in the Conditions) (such SL Termination Event being an “**SL Termination Event – No-Default Default Event**”),

then Paragraph 16.2 (*Termination following an SL Termination Event*) of this Securities Lending Agreement shall not apply and the Loan shall instead terminate automatically, as if Party A had exercised the right to terminate all Loans on the terms set out in Paragraph 8.1 for immediate delivery. In such circumstances Party A shall be immediately required to deliver Equivalent Securities to Party B (subject to Unwind Costs on Early Termination, below), and Party B shall be immediately required to deliver Cash Collateral and any Collateral equivalent to the Collateral provided by Party A in respect of such Loan to Party A.

### Payments on SL Termination Event – NWM Default Event:

If:

- (a) a SL Termination Event occurs due to the occurrence of an Early Redemption Notice Date pursuant to limb (a) of the definition of SL Termination Event; and
- (b) the Early Redemption Notice Date referred to in (a) above has been designated as a result of an NWM Default Event (as defined in the Conditions) (such SL Termination Event being an “**SL Termination Event – NWM Default Event**”),

then Paragraph 16.2 (*Termination following an SL Termination Event*) of this Securities Lending Agreement shall not apply and the Loan shall instead terminate as if an Event of Default has occurred in respect of which Party A is the Defaulting Party, provided that for such purpose the Default Market Value of the Equivalent Securities shall be deemed to be equal to the Default Market Value of the Equivalent Non-Cash Collateral and consequently no termination payment shall be payable by either party in respect of the Loan (and no amount shall form part of or be payable in respect of the Loan as part of the calculation to be made pursuant to Paragraph 11 of the Securities Lending Agreement) and neither party shall have any further liability in respect of termination of the Loan.

**Payments on an Event of Default in respect of Party A:**

If the Loan terminates prior to the Securities Lending End Date as a result of an Event of Default where Party A is the Defaulting Party, the Default Market Value of the Equivalent Securities to be delivered pursuant to Paragraph 11 of the Securities Lending Agreement shall be deemed to be equal to the Default Market Value of the Equivalent Non-Cash Collateral and consequently no termination payment shall be payable by either party in respect of the Loan (and no amount shall form part of or be payable in respect of the Loan as part of the calculation to be made pursuant to Paragraph 11 of the Securities Lending Agreement) and neither party shall have any further liability in respect of termination of the Loan.

**Payments on an Event of Default in respect of Party B:**

If the Loan terminates prior to the Securities Lending End Date as a result of an Event of Default where Party B is the Defaulting Party, then the provisions of Paragraph 11 of the Securities Lending Agreement shall apply, subject to Unwind Costs on Early Termination, below.

**Unwind Costs on Early Termination**

If the Loan terminates early as a result of a SL Termination Event, a Withholding Event, an Adverse Tax Event or an Event of Default in respect of which Party B is the Defaulting Party and provided that in respect of a SL Termination Event:

- (a) the SL Termination Event is not a SL Termination Event – NWM Default Event;
- (b) the SL Termination Event is not a SL Termination Event – No-Default Event in respect of which the relevant Early Redemption Notice Date has been designated as a result of either: (i) a Reference Agreement Additional Redemption Event (as defined in the Conditions) resulting from an Event of Default (as defined in the Reference Agreement) occurring in respect of NatWest Markets N.V. or (ii) a NWM Group Additional Redemption Event (as defined in the Conditions),

then the amount of Equivalent Securities to be delivered by Party A pursuant to Paragraph 8.3 of the Securities Lending Agreement on the

termination of the Loan or taken into account when calculating the amounts payable pursuant to Paragraph 11 of the Securities Lending Agreement (as the case may be) shall be reduced by a nominal amount of such Equivalent Securities with a Market Value as close as practicable to but not less than the Unwind Costs. Such Equivalent Securities shall be selected by Party A in its sole and absolute discretion.

Unwind Costs

An amount determined by Party A equal to all costs, fees, charges, expenses (including loss of funding), tax and duties incurred by Party A in connection with the termination of the Loan and the related termination, settlement or reestablishment of any hedge or related trading position, provided that (for the avoidance of doubt) no Unwind Costs shall be payable in the circumstances specified in sub-paragraphs (a) or (b) under “Unwind Costs on Early Termination” above.

Obligation to provide notices to  
Euroclear Bank SA/NV

The Parties shall ensure that any notices required to be provided to Euroclear Bank SA/NV in order to effect the transfers described in Section C and/or Section D are provided by the time and in the format required by Euroclear Bank SA/NV from time to time (whether under the Securities Lending Service Agreement or otherwise).

Party A agrees to provide information regarding the composition of the Loaned Securities (in the form it deems appropriate, in its sole and absolute discretion) to Instrumentholders upon request, to the extent required by Master Condition 23(a) (*Provision of information regarding the Loaned Securities*).

Please confirm that the foregoing corrects sets forth the terms of our agreement by having an authorised signatory validly sign and return a copy of this Confirmation.

Yours sincerely,

**NatWest Markets Plc**

By:

Name:

Date:

Accepted and confirmed as of the date first written above:

**Lunar Luxembourg S.A., acting in respect of its Compartment 2020-02**

By:

Name:

Date:

## DESCRIPTION OF THE UNDERLYING COLLATERAL

As noted under the section “Underlying Collateral” in the Series Terms, the Underlying Collateral in respect of the Instruments includes any securities, cash or other assets or property transferred or delivered to the Issuer or to its order pursuant to the Counterparty Agreements (being the Swap Agreements and the Securities Lending Agreement) and/or Securities Lending Service Agreement. This will principally comprise the Collateral and any Equivalent Securities, each as defined in, and delivered pursuant to, the Securities Lending Agreement, together with any accrued interest and distributions entitled to be received in respect thereof. The information in this section “Description of the Underlying Collateral” summarises the eligibility criteria, exclusions, margin/haircuts and concentration limits applicable to the securities that may be posted (as Collateral, as defined in the Securities Lending Agreement) by the SL Counterparty pursuant to the Securities Lending Agreement.

In addition to the information summarized below, prospective investors should note that The Bank of New York Mellon SA/NV will act as Collateral Monitoring Agent pursuant to the Collateral Monitoring Service Agreement (as defined in the SL Confirmation). Pursuant to the Collateral Monitoring Service Agreement, the Collateral Monitoring Agent will monitor the weighted average life of any securities within the eligibility set ‘FI 005’ as set out below, based on information provided by the SL Counterparty. Securities with a weighted average life of greater than 10 years will be ineligible to be transferred pursuant to the Securities Lending Service Agreement.

### **Information in respect of the Underlying Collateral summarised from the Securities Lending Service Agreement**

*The information set out in this section “Description of the Underlying Collateral”, has been summarised from the Securities Lending Service Agreement. The Issuer takes responsibility only for the accuracy of such information as is summarised herein and has made no independent investigation or verification thereof. The information is a summary of the criteria set out in the Series Lending Service Agreement and that as far as the issuer is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the summarised information inaccurate or misleading. Such information is subject to and is qualified in its entirety by the terms and conditions of the Underlying Collateral as disclosed in paragraph 19(i) of the Series Terms and the Base Prospectus, copies of which will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the specified office of the Agent in London for so long as any of the Instruments will remain outstanding. Capitalised terms used in this Annex have the meanings attributed to such terms in this Annex.*

*The delivery of the Series Prospectus to which this Annex is attached does not imply any representation on the part of the Issuer, the Arranger, the Trustee, the Agents or any other person that any information contained herein or in any document made available for inspection as described above is correct either at the date of such Series Prospectus or at any time subsequent to the date thereof.*

### **ELIGIBILITY**

#### **FI 001**

|                              |   |  |
|------------------------------|---|--|
| Issuer type                  | : | Sovereign  |
| Issuer country               | : | Australia, Austria, Bulgaria, Canada, Chile, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, New Zealand, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, South Korea, Spain, Sweden, Switzerland, The Netherlands, Turkey, United Kingdom, United States |
| Fixed income instrument type | : | Debt   |
| Denomination currency        | : | EUR (excl. legacy), GBP, USD, JPY, CHF   |
| Instrument coverage          | : | Straight debt  |

Rating : Long term: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-

Remaining time to maturity : <= 30 years

Quotation age : <= 10 days

Corporate family (1) : All except:

| Name                       | Location | ID      |
|----------------------------|----------|---------|
| ASSICURAZIONI GENERALI SPA | TRIESTE  | 0140589 |

Inflation-linked : No

Current issued amount : >= 100,000,000 EUR  
>= 100,000,000 USD  
>= 100,000,000 GBP  
>= 100,000,000 CHF  
>= 12,000,000,000 JPY

#### **FI 002**

Issuer type : Supranational

Fixed income instrument type : Debt

Denomination currency : EUR (excl. legacy), GBP, USD, JPY, CHF

Instrument coverage : Straight debt

Rating : Long term: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-

Remaining time to maturity : <=15 years

Quotation age : <= 10 days

Corporate family (1) : All except:

| Name                       | Location | ID      |
|----------------------------|----------|---------|
| ASSICURAZIONI GENERALI SPA | TRIESTE  | 0140589 |

Inflation-linked : No

Current issued amount : >= 100,000,000 EUR  
>= 100,000,000 USD  
>= 100,000,000 GBP  
>= 100,000,000 CHF  
>= 12,000,000,000 JPY

#### **FI 003**

Issuer type : Other issuer types: Municipal, Public sector, Agency, Credit institution, Other financial institution, Corporate, Not classified

Issuer country : Australia, Austria, Belgium, Bulgaria, Canada, Chile, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, New Zealand, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, South Korea, Spain, Sweden, Switzerland, The Netherlands, Turkey, United Kingdom, United States

Fixed income instrument type : Debt

Denomination currency : EUR (excl. legacy), GBP, USD, JPY, CHF

Instrument coverage : ABS: ABS - other Asset Backed Securities, AIR - Airline Trust, AUT - Auto Trust, CBO - Collateralized Bond Obligation, CONS - Consumers, CRE - Credit Card Trust, PYRT - Payment Rights, REP - Repackagings, STU - Student Loan Trust, WBS - Whole Business Securitisation

MBS: CMBS - Commercial Mortgage-Backed Security, RMBS - Residential Mortgage-Backed Security

Rating : Long term: AAA, AA+, AA, AA-, A+, A, A-

Quotation age : <= 10 days

Corporate family (1) : All except:

| Name                       | Location | ID      |
|----------------------------|----------|---------|
| ASSICURAZIONI GENERALI SPA | TRIESTE  | 0140589 |

Inflation-linked : No

Current issued amount : >= 100,000,000 EUR

>= 100,000,000 USD

>= 100,000,000 GBP

>= 100,000,000 CHF

>= 12,000,000,000 JPY

#### **FI 004**

Issuer type : Other issuer types: Municipal, Public sector, Agency, Credit institution, Other financial institution, Corporate, Not classified

Issuer country : Australia, Austria, Belgium, Bulgaria, Canada, Chile, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, New Zealand, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, South Korea, Spain, Sweden, Switzerland, The Netherlands, Turkey, United Kingdom, United States

Fixed income instrument type : Debt

Denomination currency : EUR (excl. legacy), GBP, USD, JPY, CHF

Instrument coverage : Straight debt

Rating : Long term: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-



Remaining time to maturity : <=15 years  
 Quotation age : <= 10 days  
 Corporate family (1) : All except:  
     Name Location ID  
     ASSICURAZIONI GENERALI SPA TRIESTE 0140589  
 Inflation-linked : No  
 Current issued amount : >= 100,000,000 EUR  
     >= 100,000,000 USD  
     >= 100,000,000 GBP  
     >= 100,000,000 CHF  
     >= 12,000,000,000 JPY

#### **FI 005**

Issuer type : Sovereign  
 Issuer country : Austria, Belgium, France, Germany, The Netherlands  
 Fixed income instrument type : Debt  
 Denomination currency : EUR (excl. legacy)  
 Instrument coverage : Straight debt  
 Instrument rate type : Fixed, Zero coupon  
 Rating : Long term: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-  
 Remaining time to maturity : <= 25-years  
 Quotation age : <= 10 days  
 Inflation-linked : No  
 Current issued amount : >= 100,000,000 EUR

#### **FI 006**

Issuer type : Other issuer types: Municipal, Public sector, Agency, Credit institution, Other financial institution, Corporate, Not classified  
 Issuer country : Australia, Austria, Belgium, Bulgaria, Canada, Chile, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, New Zealand, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, South Korea, Spain, Sweden, Switzerland, The Netherlands, Turkey, United Kingdom, United States  
 Fixed income instrument type : Debt  
 Denomination currency : EUR (excl. legacy), GBP, USD, JPY, CHF  
 Instrument coverage : Covered debt: PFA - Covered Bonds  
 Rating : Long term: AAA, AA+, AA, AA-, A+, A, A-

|                            |   |                       |
|----------------------------|---|-----------------------|
| Remaining time to maturity | : | <=15 years            |
| Quotation age              | : | <= 10 days            |
| Inflation-linked           | : | No                    |
| Current issued amount      | : | >= 100,000,000 EUR    |
|                            |   | >= 100,000,000 USD    |
|                            |   | >= 100,000,000 GBP    |
|                            |   | >= 100,000,000 CHF    |
|                            |   | >= 12,000,000,000 JPY |

## EXCLUSIONS

### General exclusions

#### Tax-related excluded are:

N/A

#### Collateral giver-related

##### Excluded are:

Securities issued by the Collateral Giver or any member of its corporate family

### Fixed Income – Exclusions

FI 001

#### Other specifications – extended

#### Securities are categorised as:

- Convertible debt
- Debt with warrant

FI 002

#### Other specifications – extended

#### Securities are categorised as:

- Perpetuals

## MARGINS/HAIRCUTS

### Valuation factor options (II)

|                       |      |   |    |
|-----------------------|------|---|----|
| Base valuation factor | 100% | Incremental cross-currency valuation factor | 0% |
|-----------------------|------|---|----|

### Fixed Income – Incremental valuations

FI 001

|                    |   |
|--------------------|---|
| <b>Issuer type</b> | Supranational<br>Other issuer types: Municipal, Public sector, Agency, Credit institution, Other financial institution, Corporate, Not classified |
|--------------------|---|

Rating

|                                   |          |
|-----------------------------------|----------|
| <b>Long term:</b> A+, A, A-       | .....2%  |
| <b>Long term:</b> BBB+, BBB, BBB- | .....4%  |
| <b>Long term:</b> BB+, BB, BB-    | .....7%  |
| <b>Long term:</b> B+, B, B-       | .....10% |

FI 002

|                       |   |
|-----------------------|---|
| <b>Issuer type</b>    | Sovereign   |
| <b>Issuer country</b> | <u>All except:</u> Austria, Belgium, France, Germany, The Netherlands |

Rating

|                                   |          |
|-----------------------------------|----------|
| <b>Long term:</b> A+, A, A-       | .....2%  |
| <b>Long term:</b> BBB+, BBB, BBB- | .....4%  |
| <b>Long term:</b> BB+, BB, BB-    | .....7%  |
| <b>Long term:</b> B+, B, B-       | .....10% |

## CONCENTRATION LIMITS

### Fixed income

FI 001

**Fixed Income instrument type** Debt

| Limits                     | Category |   | Corporate family |   | Issuer  |    | Security |   |                         |
|----------------------------|----------|---|------------------|---|---------|----|----------|---|-------------------------|
|                            | Mio USD  | % | Mio USD          | % | Mio USD | %  | Mio USD  | % | % of outstanding amount |
| <b>Each transaction</b>    |          |   |                  |   |         | 10 |          |   |                         |
| <b>Across transactions</b> |          |   |                  |   |         |    |          |   |                         |

FI 002

**Fixed Income instrument type** Debt

**Rating** Long term: BB+, BB, BB-, B+,B, B-

| Limits                     | Category |    | Corporate family |   | Issuer  |   | Security |   |                         |
|----------------------------|----------|----|------------------|---|---------|---|----------|---|-------------------------|
|                            | Mio USD  | %  | Mio USD          | % | Mio USD | % | Mio USD  | % | % of outstanding amount |
| <b>Each transaction</b>    |          | 50 |                  |   |         |   |          |   |                         |
| <b>Across transactions</b> |          |    |                  |   |         |   |          |   |                         |

FI 003

**Issuer type** Supranational

**Other issuer types:** Municipal, Public sector, Agency, Credit institution, Other financial institution, Corporate, Not classified

| Limits                     | Category |   | Corporate family |   | Issuer  |   | Security |   |                         |
|----------------------------|----------|---|------------------|---|---------|---|----------|---|-------------------------|
|                            | Mio USD  | % | Mio USD          | % | Mio USD | % | Mio USD  | % | % of outstanding amount |
| <b>Each transaction</b>    |          |   |                  |   |         |   |          |   | 10                      |
| <b>Across transactions</b> |          |   |                  |   |         |   |          |   |                         |

FI 004

**Issuer type** Sovereign

**Issuer country** All except: Austria, Belgium, France, Germany, The Netherlands

| Limits              | Category |   | Corporate family |   | Issuer  |   | Security |   |                         |
|---------------------|----------|---|------------------|---|---------|---|----------|---|-------------------------|
|                     | Mio USD  | % | Mio USD          | % | Mio USD | % | Mio USD  | % | % of outstanding amount |
| Each transaction    |          |   |                  |   |         |   |          |   | 10                      |
| Across transactions |          |   |                  |   |         |   |          |   |                         |

## THE SWAP COUNTERPARTY AND SL COUNTERARTY

### Name

NatWest Markets Plc

### Address

Registered Office: 36 St Andrew Square Edinburgh EH2 2YB Scotland

Principal Office: 250 Bishopsgate London EC2M 4AA England

### Country of incorporation

Scotland

### Nature of business

NatWest Markets Plc ("**NWM Plc**") is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc (the "**holding company**" or "**RBS Group**", which is intended to be renamed NatWest Group plc later in 2020). NWM Plc helps its customers manage their financial risks and achieve their short-term and long-term financial goals, while navigating changing markets and regulation. In February 2020, the RBS Group announced a new strategy that will require changes in the NWM Group's business, including significant reductions in capital allocated to the NWM Group, its cost base and complexity, over the medium to long term. The strategy also states that NWM Plc will be refocused to support a more integrated corporate and institutional customer offering for the RBS Group.

The "**NWM Group**" comprises NWM Plc and its subsidiary and associated undertakings, including NatWest Markets N.V. which was acquired on 29 November 2019. The "**RBS Group**" comprises the holding company and its subsidiary and associated undertakings, including the NWM Group.

As at 31 December 2019, the NWM Group had total assets of £266.1 billion and owners' equity of £9.9 billion and NWM Plc had a total capital ratio of 24.2% and a CET1 capital ratio of 17.3%. Further information relating to the NWM Group can be found in the NWM Group 2019 Annual Report and Accounts, and in the NWM Group Registration Statement dated 22 March 2019 and any supplements thereto, and other relevant filings or announcements, which can be found at <https://investors.rbs.com/regulatory-news/company-announcements.aspx>.

The long-term, unsecured and unsubordinated debt obligations of the Bank are rated A- by Standard & Poor's, A+ by Fitch and Baa2 by Moody's. NWM Plc's counterparty risk assessment is A3(cr) by Moody's.

### Admission to trading of securities

NWM Plc has securities admitted to trading on the regulated market of the London Stock Exchange plc.

## THE COMPANY

The Company is a special purpose vehicle incorporated as a *société anonyme* (public limited liability company) under the laws of Luxembourg on 16 May 2018 under the name of Lunar Luxembourg S.A. for the purpose of issuing asset backed securities in accordance with the Securitisation Law.

A copy of the Articles was published in the Electronic Register of Companies and Associations (*Registre Electronique des Sociétés et Associations*) on 29 May 2018 and the Company is registered with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés*) under number B224665.

The registered office of the Company is at 46a, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. The telephone number of the Company is +352 42 71 71 1.

### Share capital

The authorised issued share capital of the Company is EUR 30,000. The share capital of the Company is divided into 30 Shares (as defined in the Articles) of EUR 1,000 each.

### Ownership of the Company

The Company has issued 30 Shares, all of which are fully paid and are held by Stichting Lunar Luxembourg.

Stichting Lunar Luxembourg is a foundation (*stichting*) incorporated under the laws of the Netherlands with limited liability and is established for a specific purpose. It is not owned or controlled by any person. Stichting Lunar Luxembourg has no beneficial interest in and derives no benefit from its holding of the issued shares. Stichting Lunar Luxembourg will apply any income derived by it from the Company solely for charitable purposes. It is governed and represented by a board responsible for the foundation's administration. The board members of Stichting Lunar Luxembourg are provided by TMF Management BV.

### Issuer and Compartments

The Company intends to establish several Compartments in accordance with the Securitisation Law and its Articles. Under the Securitisation Law, each Compartment is a separate and distinct part of the Company's estate (*patrimoine*) and will conduct no business operations other than the issue and repayment of the relevant Instruments and the connected transactions. The Company acting in respect of one of its Compartments is referred to as the "Issuer".

The recourse of the Company's creditors in respect of each Compartment is limited to the assets allocated to that Compartment. This means that claims against the Company by the Secured Creditors (including the Instrumentholders) in respect of each Series of Instruments will be limited to the net proceeds of the Mortgaged Property for such Series included in the relevant Compartment. Under the Securitisation Law, the net proceeds of the Mortgaged Property for each Series are available only for distribution to the specified Instrumentholders and other creditors relating to such Series.

### Activities of the Company

The corporate purposes of the Company set out in the Articles are to enter into, perform and serve as a vehicle for any securitisation transactions as permitted under the Securitisation Law.

The Company may acquire or assume, directly or through another entity or vehicle, the risks relating to the holding or ownership of claims, structured deposits, receivables and/or other goods, structured products relating to commodities or assets (including securities of any kind), either movable or immovable, tangible or intangible, and/or risks relating to liabilities or commitments of third parties or which are inherent to all or part of the activities undertaken by third parties, by issuing securities of any kind (*valeurs mobilières*) (including but not limited to securities in bearer form (*au porteur*) and/or registered from (*nominatives*)) whose value or return is linked to these risks. The Company may assume or acquire these risks by acquiring, by any means, claims, deposits, receivables and/or other goods, structured products relating to commodities or assets by guaranteeing the liabilities or commitments of third parties or by binding itself in any other way, as set out in the relevant issuance documentation of the Issuer applicable to a Series.

The Company may, within the limits of the Securitisation Law, proceed, so far as they relate to securitisation transactions, to (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, securities and other instruments or financial instruments of any kind (including securities or



parts or units issued by Luxembourg or foreign mutual funds or similar undertakings and exchangeable or convertible securities) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto, and (iii) the ownership, development and administration of a portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above) in accordance with the provisions of the relevant issuance documentation.

The Company may issue instruments in the form of securities, bonds (including exchangeable or convertible securities and securities linked to an index or a basket of indices or shares), debentures, certificates, warrants and any kind of debt or equity securities, including under one or more issuance programmes. The Company may lend funds including the proceeds of any borrowings and/or issues of securities, within the limits of the Securitisation Law and provided such lending or such borrowing relates to securitisation transactions, to its subsidiaries or affiliated companies or to any other company.

The Company may, within the limits of the Securitisation Law give guarantees and grant security over its assets in order to secure the obligations it has assumed for the securitisation of those assets or for the benefit of investors (including any applicable trustee, agent, security agent or other representative) and/or any issuing entity participating in a securitisation transaction of the Company. The Company may not pledge, transfer, encumber or otherwise create security over some or all of its assets or transfer its assets for guarantee purposes, unless permitted by the Securitisation Law.

The Company may enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions for as long as such agreements and transactions are necessary to facilitate the performance of the Company's corporate object. The Company may generally employ any techniques and instruments relating to investments for the purpose of their efficient management, including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks.

The Company may, in general, take any controlling and supervisory measures and carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its corporate object to the extent permitted under the Securitisation Law.

The above description of the Company is to be understood in its broadest sense. The corporate object of the Company shall include any transaction or agreement which is entered into by the Company, provided such transaction or agreement is not inconsistent with the purposes stated above.

### **Assets and liabilities**

The Company has, and will have, no assets other than the sum of EUR 30,000 representing the issued and paid-up share capital and share premium, such fees (as agreed) per issue payable to it in connection with the issue of Instruments or the purchase, sale or incurring of other obligations and any Mortgaged Property.

Save in respect of the fees paid to it in connection with each issue of Instruments, any related profits and the proceeds of any deposits and investments made from such expenses or from amounts representing the Company's issued and paid-up share capital and share premium, the Company will not accumulate any surpluses.

Instruments issued by each Issuer are obligations of the Issuer alone and are not obligations of or guaranteed by any other person.

### **Capitalisation**

Shareholders' funds

Share capital (EUR 30,000, authorised and issued 30 Shares in Lunar Luxembourg S.A.)

Total capitalisation: EUR 30,000

### **Indebtedness**

As at the date of this Series Prospectus the Company had no indebtedness.

### **Management and supervisory bodies**

The Company is managed by the board of directors which is composed as follows:

| <b>Director</b> | <b>Principal outside activities</b> | <b>Business Address</b> |
|-----------------|-------------------------------------|-------------------------|
|-----------------|-------------------------------------|-------------------------|

|                          |                               |   |
|--------------------------|-------------------------------|---|
| Coralie Grunfelderl      | Employee of TMF Luxembourg SA | 46a, avenue J.F. Kennedy, L-1855 Luxembourg |
| Atif Kamal               | Employee of TMF Luxembourg SA | 46a, avenue J.F. Kennedy, L-1855 Luxembourg |
| Martijn Sinninghe Damste | Employee of TMF Luxembourg SA | 46a, avenue J.F. Kennedy, L-1855 Luxembourg |

Atif Kamal has been appointed by the directors of the Company as chairman of the Board.

No corporate governance regime to which the Company would be subject exists in Luxembourg as at the date of this Series Prospectus.

### Corporate Services Provider

TMF Luxembourg S.A. (the "**Corporate Services Provider**").

Pursuant to the terms of the domiciliation and corporate services agreement dated 30 May 2018 and entered into between the Corporate Services Provider, the Company and the shareholder of the Company, the Corporate Services Provider will perform in Luxembourg certain administrative, accounting and related services including those of a domiciliation agent. In consideration of the foregoing, the Corporate Services Provider will receive various fees payable to it by the Company at rates agreed upon from time to time.

The appointment of the Corporate Services Provider may be terminated by either the Company or the Corporate Services Provider upon not less than two months' prior written notice.

### Financial statements

The financial year of the Company begins on 01 January of each year and ends on 31 December of the same year save that the first financial year started on the date of incorporation of the Company and will end on 31 December 2018.

In accordance with the Companies Law the Company is obliged to publish its annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of its shareholders. The Company is not required to and does not prepare interim financial statements.

The date of the latest financial statements of the Company is 31 December 2018.

Any future published annual audited financial statements prepared for the Company will be obtainable free of charge from the registered office of the Company or the specified office of the Paying Agents in London and Luxembourg, as described in "General Information".

### Statutory auditors

The approved statutory auditor (*réviseur d'entreprises agréé*) of the Company, which have been appointed until the annual general meeting of shareholders to be held in 2020 by a resolution of the Board dated 6 February 2020, are Ernst & Young whose address is 35E Avenue John F. Kennedy, L-1855 Luxembourg and who belong to the Luxembourg institute of auditors (*Instituts des réviseurs d'entreprises*).

### Restrictions

So long as any of the Instruments remain outstanding, the Company acting in respect of a specific Compartment will be subject to the restrictions set out in Clause 4.3.36 of the Trust Deed applicable to such series of Instruments and the Articles. Such restrictions include that, except as provided for or contemplated in the Terms and Conditions, the Trust Deed applicable to such series of Instruments, any other Security Document or any other Transaction Document and subject to the provisions of Master Condition 10 (*Liquidation*), neither the Issuer nor the Company will:

- (i) incur any indebtedness or engage in any business other than acquiring and holding Mortgaged Property, entering into Obligations, the entry into of related agreements and transactions and the performing of acts incidental thereto or necessary in connection with any of the foregoing, and provided that:
  - (a) such Obligations are secured on assets of the Issuer other than the Company's share capital and any assets securing any other Obligations (other than Equivalent Obligations);
  - (b) such Obligations and any related agreements signed by the Issuer contain provisions that limit the recourse of any holder of, or counterparty to, such Obligations and of any party to any related

agreement to assets other than those to which any other Obligations (other than Equivalent Obligations) have recourse; and

- (c) such Obligations and any related agreements signed by the Issuer contain “non-petition” language substantially similar to that contained in the Trust Deed applicable to such series of Instruments;
- (ii) sell, transfer or otherwise dispose of any of the Mortgaged Property or any right or interest therein or create any mortgage, charge or other security or right of recourse in respect thereof in favour of any person;
- (iii) cause or permit any Transaction Document or the priority of the Transaction Security to be amended, terminated or discharged;
- (iv) release any party to any Counterparty Agreement, the Trust Deed, the Constituting Document or any other Security Document from any existing obligations thereunder;
- (v) have any subsidiaries;
- (vi) exercise any power of waiver pursuant to the terms of any Transaction Document or authorise any breach thereof;
- (vii) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person;
- (viii) have any employees;
- (ix) have any shares in issue other than those issued on the date of its incorporation or make any distribution to its shareholder(s);
- (x) open or have any interest in any account with a bank or financial institution unless (a) such account relates to the issuance or entry into of Obligations and such Obligations have the benefit of security over the Issuer’s interest in such account or (b) such account is opened in connection with the administration and management of the Company and only moneys necessary for that purpose are credited to it;
- (xi) declare any dividends;
- (xii) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- (xiii) guarantee, act as surety for or become obliged for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (xiv) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
- (xv) except as is required in connection with the issuance or entry into of Obligations, advance or lend any of its moneys or assets, including but not limited to the Mortgaged Property, to any other entity or person; or
- (xvi) approve, sanction or propose any amendment to its constitutional documents.

## SUBSCRIPTION AND SALE

### Public offer selling restriction under the Prospectus Regulation

In relation to each Member State of the European Economic Area and the United Kingdom (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Series Prospectus as completed by the Series Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Instruments to the public in that Relevant State:

- (a) if the relevant Series Terms in relation to the Instruments specify that an offer of those Instruments may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "Non-exempt Offer") following the date of publication of a prospectus in relation to such Instruments which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Series Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Series Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Instruments referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Instruments to the public" in relation to any Instruments in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

### Prohibition of Sales to EEA and UK Retail Investors

The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (and, for the avoidance of doubt, this means any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU ("**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIPs Regulation.

## GENERAL INFORMATION

|                                  |   |
|----------------------------------|---|
| <b>No significant change</b>     | There has been no significant change in the financial or trading position of the Issuer, and no material adverse change in the financial position or prospects of the Issuer in each case, since 31 December 2018, the date of its latest financial statements.   |
| <b>No legal proceedings</b>      | 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 period of twelve months preceding the date of this Series Prospectus, a significant effect on the financial position or profitability of the Issuer.   |
| <b>Post issuance information</b> | The Issuer does not intend to provide any post-issuance information in relation to any issues of Instruments or in relation to the Underlying Collateral, except as required by any Applicable Law or as specified in the relevant Series Terms.  |
| <b>Websites</b>                  | Any websites referred to herein do not form part of this Series Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.   |
| <b>Available documents</b>       | <p>For so long as Instruments may be issued pursuant to this Series Prospectus copies of the following documents will be available in the relevant hyperlinks set out below:</p> <ul style="list-style-type: none"><li>(i) the Memorandum and Articles of Association of the Company – <a href="https://www.ise.ie/debt_documents/Lunar%20Luxembourg%20S.A._Deed%20of%20incorporation[39433138v1]_04ebe311-0b7d-4da1-940d-2964f78cba4b.PDF">https://www.ise.ie/debt_documents/Lunar%20Luxembourg%20S.A._Deed%20of%20incorporation[39433138v1]_04ebe311-0b7d-4da1-940d-2964f78cba4b.PDF</a></li><li>(ii) the Master Trust Terms (which includes the form of the Global Bearer Instruments) – <a href="https://www.ise.ie/debt_documents/Final%20Version%20-%20Lunar%20Luxembourg%20S.A.%20-%20Master%20Trust%20Terms[44220657v1]_d08b081d-023b-466f-af6c-3abffec2c1f9.PDF">https://www.ise.ie/debt_documents/Final%20Version%20-%20Lunar%20Luxembourg%20S.A.%20-%20Master%20Trust%20Terms[44220657v1]_d08b081d-023b-466f-af6c-3abffec2c1f9.PDF</a></li></ul> |
| <b>Use of proceeds</b>           | The net proceeds of each issue of Series 2020-02 are estimated to be EUR 100,000,000 and will be used to enter into the various swap transactions and GMSLA in respect of such Series and/or enter into the Transaction Documents and/or to fund any initial payment obligations under any related Counterparty Agreement.  |
| <b>Listing Agent</b>             | Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Company in connection with the Instruments and is not itself seeking listing of the Instruments to the Official List of Euronext Dublin or admission to trading on the regulated market of Euronext Dublin.   |

**Registered Office of the Issuer**

**Lunar Luxembourg S.A.**  
46a, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Trustee**

**BNY Mellon Corporate Trustee Services Limited**  
One Canada Square  
London E14 5AL  
United Kingdom

**Custodian, Issuing and Paying Agent**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**Arranger, Calculation Agent, Dealer, Disposal Agent, Seller,  
Swap Counterparty and SL Counterparty**

**NatWest Markets Plc**  
250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**Listing Agent**

**Arthur Cox Listing Services Limited**  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

**English Legal Advisor to the Arranger**

**Simmons & Simmons LLP**

CityPoint  
1 Ropemaker Street  
London  
EC2Y 9SS  
United Kingdom

**Luxembourg Legal Advisor to the Issuer**

**Simmons & Simmons Luxembourg LLP**

Royal Monterey  
26A Boulevard Royal  
L-2449 Luxembourg  
Grand Duchy of Luxembourg