

**PRIVATE PLACEMENT  
MEMORANDUM**

**MRB SECURITIES  
NOTE PROGRAMME**

*Version dated 04/08/2023*

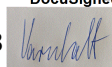
**MRB SECURITIES  
Securitisation Fund  
RCSL : 072**

*c/o MRB MANAGEMENT Sàrl  
RCSL : B279461*

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Grand Duchy of Luxembourg**

Volker VARNHOLT

04. oktober 2023 | 04:40:33

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Markus TÖLLKE

04. oktober 2023 | 09:37:00

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## MRB SECURITIES

*incorporated as and being a  
securitisation fund under the Luxembourg law of 22nd March 2004*

*represented by its management company*

*MRB MANAGEMENT Sàrl*

*a limited liability company*

### MRB SECURITIES Note Programme

**Up to 2.000.000.000,00 EUR**

MRB SECURITIES is a securitisation undertaking organised as a securitisation fund (the "**Securitisation Fund**" or the "**Issuer**") represented and managed by its management company named MRB MANAGEMENT Sàrl (*société de gestion de fonds de titrisation*) organised within the meaning of the Law relating to securitisation of 22<sup>nd</sup> March 2004 (*Loi du 22 mars 2004 relative à la titrisation*), as amended (the "**Securitisation Law**"), registered with the Luxembourg Business Register under the reference O72.

The Issuer may from time to time issue notes (the "**Notes**") in series (each a "**Series**") eventually divided into tranches (the "**Tranches**") under its MRB SECURITIES Note Programme (the "**Programme**") described in this Private Placement Memorandum (the "**Private Placement Memorandum**").

The Notes may be denominated in any currency determined by the Issuer as specified in the relevant Final Terms (each a "**Final Terms**") setting out in respect of each issue the terms of that Series.

Each Final Terms shall incorporate by reference all of the information set out in this Private Placement Memorandum.

The management regulations of the Securitisation Fund (the "General Management Regulations") have been registered in the Luxembourg Register of Commerce and Companies under the number O72.

The Management Company, MRB MANAGEMENT Sàrl is a *société à responsabilité limitée*, a limited liability company incorporated under the Law concerning commercial companies of 10th August 1915 (*la Loi du 10 août 1915 concernant les sociétés commerciales*), as amended (the "**Commercial Companies Law 1915**"), organised as a securitisation management company (*société de gestion de fonds de titrisation*) within the meaning of the Law relating to securitisations of 22nd March 2004 (*Loi du 22 mars 2004 relative à la titrisation*), as amended (the "**Securitisation Law**"), registered in the Luxembourg Register of Commerce and Companies under number B279461.

The Issuer may act for and on behalf of one or several compartments of the Securitisation Fund (the "**Compartment**").

The aggregate nominal amount of Notes outstanding will not at any time exceed 2.000.000.000,00 EUR (or its equivalent in other currencies subject to increase as described herein).

This document (the "**Private Placement Memorandum**") has been prepared with regard to the Issuer's Note Programme for the issuance of Series of Notes eventually divided into tranches (the "**Tranches**") and is not subject to any (prior) approval by the *Commission de Surveillance du Secteur Financier, Luxembourg* (the "**CSSF**") nor any other regulator.

For the sake of clarity, this Private Placement Memorandum **is not a prospectus** for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") as the prospective investors to which the Notes will be issued are only professional investors **and not retail investors**; therefore it may not be used for an offering requiring such prospectus, and the Issuer will not be responsible for the content of this document in relation to any offering which requires such a prospectus.

However this Private Placement Memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg law of 16 July 2019 on prospectuses for securities (the "**Prospectus Law**").

The Issuer has not authorised, nor does the Issuer authorise, the making of any offer of the Notes in circumstances in which an obligation arises for it to publish a prospectus for such offer in any jurisdiction.

#### *Limited recourse*

Under the Securitisation Law and the articles of association (*statuts*) of the Issuer may create one or more compartments (each, a "**Compartment**"), each corresponding to a distinct part of the Securitisation Company's assets and liabilities, such that the assets of a Compartment (the "**Underlying Assets**") are exclusively available to satisfy the rights of the investors and creditors of that Compartment and that recourse of a Compartment's investors and creditors is, by law, limited to that Compartment's Underlying Assets. Each Series of Notes will be issued by a separate Compartment (that is, by the Issuer acting in respect of and on account of such Compartment) and the proceeds from such issue will be used by the relevant Compartment to purchase or otherwise acquire assets and/or to pay for or enter into any ancillary transaction (and to pay expenses), it being understood that the relevant Compartment may from time to time issue further Notes on the same terms as existing Notes and such further Notes shall then be consolidated and form a single Series with such existing Notes.

The Notes are limited recourse in nature (in addition to each Series of Notes being issued by a separate Compartment of the Issuer) and no assets of the Issuer other than the relevant Compartment's assets will be available to meet any shortfall.

The Notes will be obligations solely of the Issuer (ie of the relevant Compartment of the Issuer) and will not be guaranteed by, or be the responsibility of, any other entity nor the Management Company or any other Compartment of the Issuer.

#### *Listing and admission to trading*

The Notes will not be offered to the public but certain Series of Notes may be listed and admitted to trading, as the case may be, on the Euro MTF market operated by the Luxembourg Stock Exchange and the Issuer may also issue the relevant Note(s) subject to the prior submission to, filing with and approval by the Luxembourg Stock Exchange of the final terms and conditions of such Series (the "**Final Terms**").

Application may be made to the Luxembourg Stock Exchange for the approval of this Private Placement Memorandum and any other required supplements (as the case may be) for the purposes of Part IV of the Prospectuses Law.

Application may also be made to the Luxembourg Stock Exchange for some Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market (the "**Euro MTF**").

References in this Private Placement Memorandum to the Notes being “listed” (and all related references) shall mean that the Notes have been admitted on the Official List of the Luxembourg Stock Exchange and to trading on the professional segment of the Euro MTF market.

The Euro MTF is not a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, “**MiFID II**”).

In case the terms and conditions of the Notes to be admitted to trading on the Euro MTF differ from the terms and conditions detailed here, a drawdown prospectus shall be prepared and submitted to the Luxembourg Stock Exchange for its further review and approval before any such admission to trading.

The Issuer may issue Notes admitted to listing on the official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF market.

However, unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued under the Programme as well.

#### *Form of Notes – NGN - Clearing*

The Notes of each Series may be issued in registered form or bearer form.

When the Notes are issued in bearer form (“**Bearer Notes**”), they will be represented on issue by a temporary global note in bearer form (each a “**Temporary Global Note**”) or a permanent global note in bearer form (each a “**Permanent Global Note**”) (collectively, the “**Global Notes**”).

If the Global Notes are stated in the relevant Final Term to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Series/Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”).

International bearer global form debt securities will have to be issued in NGN form to be eligible as collateral for Eurosystem intra-day credit and monetary policy.

Notes in registered form (“**Registered Notes**”) will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder's entire holding of Notes in registered form of one Series. Certificates representing Registered Notes that are held in one or more clearing systems are referred to as global certificates (“**Global Certificates**”). If a Global Certificate is held under the New Safekeeping Structure (the “**NSS**”) the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGN**”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Series/Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”).

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in section 20 of the Conditions under “Provisions Relating to the Notes while in Global Form”.

Specific provisions will be set out in the relevant Final Terms in those cases where a Series of Notes is intended to be cleared through any clearing system other than Euroclear Bank SA/NV and Clearstream Banking S.A. or delivered outside a clearing system.

### *Risk Factors*

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are set out in the Section related to the “*RISK FACTORS*”. For the avoidance of doubt, this Private Placement Memorandum does not describe all of the risks of an investment in the Notes.

### *US Security Act of 1933*

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, held, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the U.S. Securities Act, except in certain transactions exempt from the registration requirements of such Act and applicable state securities laws.

### *United Kingdom investors:*

This Private Placement Memorandum may only be communicated to persons in the United Kingdom by a person who is not authorised under the Financial Services and Markets Act 2000 (FSMA) only if it is directed solely at persons who (i) have professional experience in matters relating to investments, being investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “FPO”); or (ii) are high net worth companies, trusts or unincorporated associations falling within Article 49(2)(a) to (d) of the FPO; or (iii) are persons to whom this Private Placement Memorandum may otherwise be lawfully communicated; such persons being collectively, “**Relevant Persons**”. Readers of this Private Placement Memorandum acknowledge and understand that Notes shall not be offered, sold or otherwise made available to and should not be relied upon by United Kingdom persons who are not Relevant Persons.

### Arranger :

MRB FUND PARTNERS AG

With registered office at

Fraumünsterstrasse 11

CH-8001 Zürich

Switzerland

The date of the Private Placement Memorandum is 4<sup>th</sup> August 2023

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### *Data protection*

All personal data of the potential Investors and Noteholders contained in any document provided by them and any further personal data collected in the course of the relationship with the Issuer may be collected, recorded, stored, adapted, transferred or otherwise processed and used (Processed) by the Issuer, the services providers and the financial intermediaries of such Noteholders, in accordance with:

(a) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the “**GDPR**”); and

(b) the Luxembourg law of 1 August 2018 on the organisation of the National Data Protection Commission and the general data protection framework (the “**DPL**”).

Such data shall be processed for the purposes of account administration, anti-money laundering identification and the development of the business relationship. To this end, data may be transferred within the European Union to companies appointed by the Issuer, to support the Issuer’s activities.

The Noteholder has a right to access his/her/its personal data and may ask for rectification thereof in cases where such data is inaccurate and incomplete. In relation thereto, the Noteholders may ask the Issuer for a rectification.

The Noteholders, by signing the Subscription Agreement / Form related to their subscription or transfer of Notes, gives his/her/its agreement to such processing of his personal data, as provided for by the GDPR and the DPL.

See Section on “DATA PRIVACY NOTICE” for further information.

*AML/KYC – PRIIPS – MIFID - EMIR regulations*

*Anti-money laundering regulations*

Pursuant to the Luxembourg law of 12 November 2004 on the fight against money laundering and against financing of terrorism, as amended, the Luxembourg law of 27 October 2010 enhancing the anti-money laundering and counter terrorist financing legal framework and the Grand-ducal Regulation of 29 October 2010 enforcing the law of 27 October 2010 implementing United Nations Security Council resolutions as well as acts adopted by the European Union concerning prohibitions and restrictive measures in financial matters in respect of certain persons, entities and groups in the context of the combat against terrorist financing, the Luxembourg law of 25 March 2020 transposing some provisions of the 2018/843 EU Directive (“AMLD 5”) and pursuant to Articles 506-1 – 506-7 of the Luxembourg Criminal Code, obligations have been imposed on all professionals of the financial sector to prevent the use of securitisation vehicle for money laundering purposes. Within this context, a procedure for the identification of the Investor has been imposed. Hence, the Subscription Agreement signed by the Noteholder must be accompanied by any supporting documents recommended or prescribed by applicable rules and regulations allowing the appropriate level of identification of the Noteholders and, as the case may be, its beneficial owners.

It is generally accepted that professionals of the financial sector resident in a country which has ratified the conclusions of the GAFI (as defined hereafter) report are deemed to be intermediaries having an identification obligation equivalent to that required under the laws of the Grand Duchy of Luxembourg.

Any information provided in this context is collected for anti-money laundering compliance purposes only.

It should be noted that depending on the status of the Noteholder, additional documents could be required. As a result, the above list should not be considered as being exhaustive.

The Noteholders should note that the failure to provide the requested documents will result in a delay or the rejection of the subscription, redemption or conversion of the relevant Series of Notes. As of 1 September 2019, ultimate beneficial owners (bénéficiaires effectifs) of the Notes falling within the scope of the RBO Law will be registered in the register of beneficial owners in accordance with the RBO Law.

In addition, the complete updated list of countries having ratified the recommendations of the GAFI regarding the fight against money laundering is available on [www.fatf-gafi.org](http://www.fatf-gafi.org).

*PRIIPs (Regulation 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packages retail and insurance-based investment products)*

The Notes are solely advised on, offered or sold to Professional Clients and, as a consequence, no PRIIPs key information document shall be issued.

*Directive on markets in financial instruments (MiFID)*

The Issuer has taken all necessary measures to ensure its compliance with the provisions of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, especially in regards to transparency and reporting.

In addition and solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and Professional Clients only, each as defined in MiFID; and (ii) all channels for distribution of the Notes to eligible counterparties and Professional Clients are appropriate.



### *EMIR (European Market Infrastructure Regulation)*

The Issuer may intend for some or all of the Compartments to make use of OTC derivatives within the meaning of the regulation no 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

### *AML/CFT Applicable laws*

In any circumstances, the following laws and regulations are applicable in terms of prevention of money laundering and fight against terrorism:

- the Luxembourg law of 12 November 2004 modified by the law of 27 October 2010 on prevention of money laundering and fight against terrorism (the "AML/CFT Law");
- the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU;
- the Luxembourg law of 25 March 2020 transposing certain provisions of Directive (EU) 2018/843 ("AMLD 5") entered into force on 30 March 2020 and AMLD 6 dated 12 November 2018
- the CSSF Circular 20/744 amending the CSSF circular 17/650 - 17/02/2017: Application of the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended (hereinafter "AML/CFT Law") and of the Grand-ducal Regulation of 1 February 2010 providing details on certain provisions of the AML/CFT Law ("AML/CFT GDR") to predicate tax offences;
- the CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing;
- the CSSF Circular 19/732 – 20/12/2019: Prevention of Money Laundering and Terrorist Financing: Clarifications on the Identification and Verification of the Identity of the Ultimate Beneficial Owner(s);
- the Luxembourg law of 13 January 2019 Establishing the Register of Beneficial Owners;
- the Guidance for a risk-based approach of the FATF (Financial Action Task Force) - June 2019 - Trust and company service providers and;
- The Luxembourg Ministry of Finance report dated 20 December 2020 regarding the national valuation of the risks - « *Evaluation nationale des risques en matière de blanchiment de capitaux et de financement du terrorisme* »

### *Important notices*

The Issuer accepts responsibility for the information contained in this document and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Private Placement Memorandum is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each Series of Notes will be issued on the terms and conditions set out in the Section related to the TERMS AND CONDITIONS OF THE NOTES (the "**Conditions**"), as amended and/or supplemented by the "**Final Terms**" specific to such Series. This Private Placement Memorandum must be read and construed, by the holders of the Notes (the "**Noteholders**") and others alike, together with any amendments or supplements hereto and with any information incorporated by reference herein and must be read and construed together with the relevant Final Terms.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Private Placement Memorandum or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for varying economic, interest rate related and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Professional Investors should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Issuer has confirmed that this Private Placement Memorandum contains all information which is material (in the context of the Programme, the issue, offering and sale of the Notes); that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Private Placement Memorandum does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Private Placement Memorandum or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

Neither the delivery of this Private Placement Memorandum or any Final Terms nor the offering, sale or delivery of any Note shall create any implication that the information contained in this Private Placement Memorandum is true

subsequent to the date hereof (or the date upon which this Private Placement Memorandum has been most recently amended or supplemented) or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof (or the date upon which this Private Placement Memorandum has been most recently amended or supplemented) or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied (or, if different, the date indicated in the document containing the same).

The Issuer does not represent that this Private Placement Memorandum may be lawfully distributed, or that any of the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, persons into whose possession this Private Placement Memorandum or any of the Notes come must inform themselves about, and observe, any such restrictions. In particular, no action has been taken by the Issuer which would permit a public offering of any of the Notes or distribution of this Private Placement Memorandum in any jurisdiction outside of the European Union and the European Economic Area where action for that purpose is required. Accordingly, none of the Notes may be offered or sold, directly or indirectly, and neither this Private Placement Memorandum nor any Final Terms, advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Neither this Private Placement Memorandum nor any Final Terms nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer that any recipient of this Private Placement Memorandum or any other information supplied in connection with the Programme or any Notes should subscribe for or purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Private Placement Memorandum nor any Final Terms nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation to any person to subscribe for or to purchase any Notes.

The delivery of this Private Placement Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied pursuant to the terms of the Programme or any of the Notes is correct as of any time subsequent to the date indicated in the document containing the same.

Where information has been sourced from a third party, the Issuer has identified the sources of such information, has accurately reproduced them and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Notes issued by the Issuer under the Programme may be listed or admitted to trading, as the case may be, on any stock exchange or market. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market and such Notes may be offered to the public. However, this Private Placement Memorandum has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area ("EEA") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in a Member State of the EEA of Securities which are the subject of a placement contemplated in this Private Placement Memorandum may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. The Issuer has not authorised, nor does it authorise, any offer of Notes which would require the Issuer or any other entity to publish or supplement a prospectus in respect of such offer.

An investor intending to acquire any Notes will do so, and offers and sales of the Notes to such an investor by any person will be made, in accordance with any terms and other arrangements in place between the relevant investor

and his counterparty, including as to price, allocations and settlement arrangements. In principle, the Issuer will not be a party to any such arrangements with investors and, accordingly, this Private Placement Memorandum does not (and any Final Terms will not) contain any information as to such arrangements for the acquisition, offer or sale of the Notes and an investor must obtain such information from his counterparty.

This Private Placement Memorandum **has not been prepared** on the basis that the Notes may be offered to the public in any Member State of the European Union and/or the European Economic Area.

This Private Placement Memorandum will be published on the website (the "**Website**") created for and on behalf of the Issuer ([www.fundnav.lu](http://www.fundnav.lu)). Copies of this Private Placement Memorandum can also be obtained (by prior appointment and during standard business hours) at the registered office of the Issuer and - if any appointed - the office of the Paying Agent (the "**Paying Agent**") at the address given at the end of this Private Placement Memorandum.

Neither the Security Trustee (as defined in the Section related to the *OVERVIEW OF THE PROGRAMME*) nor the Paying Agent, any calculation agent appointed or any custodian appointed (together, the "**Agents**") nor any of their respective directors, affiliates, advisers or agents has made an independent verification of the information contained in this Private Placement Memorandum in connection with the issue or offering of Notes and no representation or warranty, express or implied, is made by the Security Trustee, the Agents or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information. Nothing contained in this Private Placement Memorandum is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Security Trustee, the Agents or any of their respective directors, employees, affiliates, advisers or agents in any respect.

All references in this document to "€", "euros" and "EUR", are to the lawful currency of the Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended, and all references to "£", "pounds", "pounds sterling" and "GBP" are to the lawful currency of the United Kingdom and to "\$", "US\$", "dollars", "U.S. dollars" and "USD" are to the lawful currency of the United States of America.

This list of currencies is not meant to be exhaustive.

The Issuer may issue Notes in any currency available as long as they are eligible under rules set out by the Clearing Systems.

The currency of issuance will be indicated in the Final Terms.

When the Notes will have to be issued in NGN form to be eligible as collateral for Eurosystem intra-day credit and monetary policy the Notes will mandatorily be denominated in Euro.

## INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. The words “believe”, “anticipate”, “expect”, “intend”, “plan”, “predict”, “continue”, “assume”, “may”, “will”, “should”, “shall”, “risk” and other similar expressions that are predictions of or indicate future events and future trends identify forward looking statements. These forward-looking statements include all matters that are not historical facts. In particular, the statements under the headings “Overview”, “Risk Factors”, “Description of the Issuer” etc. regarding the Issuer’s strategy and other future events or prospects are forward-looking statements. Any potential Investors should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Issuer’s control. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Recipients of this document are cautioned that forward-looking statements are not guarantees of future performance and that the Issuer’s actual situation, financial condition and liquidity, and the development of the financial market may differ materially from those made in or suggested by the forward-looking statements contained in this document. The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer or persons acting on their behalf, may issue. Factors that may cause the Issuer’s actual results to differ materially from those expressed or implied by the forward-looking statements in this document include but are not limited to the risks described under “Risk Factors”.

These forward-looking statements reflect the Issuer’s judgement at the date of this document and are not intended to give any assurances as to future results.

### *Summary of the Note Issuance*

The Issuer will issue at the charge of each Compartment a specific Series of Notes which can be issued in different categories of Tranches as specified in the Final Terms.

## 1 OVERVIEW AND DESCRIPTION OF THE NOTE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Private Placement Memorandum and the Final Terms related to a Series of Notes. Words and expressions defined or used in the Section related to the TERMS AND CONDITIONS OF THE NOTES shall have the same meanings herein.

Arranger	Means MRB FUND PARTNERS AG
Board of Managers:	The board of managers of the Management Company and in case of one member, the sole manager
Business Day:	A day on which banks are open for business and settlement in Luxembourg (excluding Saturdays, Sundays and public holidays);
Calculation Agent:	A calculation agent may be appointed in connection with a Series of Notes if required by the Issuer to perform calculations on interest rates or valuation or otherwise. Any such calculation agent will be specified in the applicable Final Terms.
Clearing Systems:	Euroclear and Clearstream, Luxembourg or any other clearing system
Clearstream:	Means Clearstream Banking, S.A. 42 Avenue JF Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg.
Company Law:	The Luxembourg law of 10 August 1915 on commercial companies, as amended;
Compartment:	One of the segregated fiduciary portfolio of the Securitisation Fund at the charge of which the Notes are issued by the Issuer.
CRS Law:	The law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation, and any other law completing, amending or replacing the said law of 18 December 2015
CSSF:	The Commission de Surveillance du Secteur Financier, the Luxembourg financial supervisory authority;
Currency:	Euro or any other currency or commodity as otherwise specified in the applicable Final Terms, subject to compliance with any applicable laws and regulations.  When the Notes will have to be issued in NGN form to be eligible as collateral for Eurosystem intra-day credit and monetary policy the Notes will mandatorily be denominated in Euro.
Custodian (if appointed):	If appointed in the relevant Final Terms, the Issuer will enter into a custody agreement with the Custodian (the " <b>Custody Agreement</b> ") in order to govern the appointment of such custodian on any Underlying Assets or Series of Notes where it is requested to act. The Custody Agreement shall, on any Series of Notes on which it is appointed as custodian, act as a separate agreement governing the appointment of such custodian. The

	Issuer may appoint any other custodian named in the applicable Final Terms in relation to a specific Series of Notes.
Denomination:	Notes will be by default in denominations of minimum EUR 100.000,00 (one hundred thousand euros), unless otherwise specified in the applicable Final Terms.
Description:	MRB SECURITIES Note Programme.
Euroclear:	Means Euroclear Bank S.A., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.
ESG:	Means Environmental, Social and Governance.
Euro MTF:	Means the professional segment of the Euro MTF operated by the Luxembourg Stock Exchange.
Fixed Rate Notes:	Notes identified as "Fixed Rate Notes" in the applicable Final Terms will bear interest payable in arrears on the date or dates in each year specified in such Final Terms.
Floating Rate Notes:	Notes identified as "Floating Rate Notes" in the applicable Final Terms will bear interest as specified in such Final Terms and as determined by a Calculation Agent appointed in respect of such Notes in respect of each Interest Period.
Form of Notes:	<p>Notes may be issued in bearer form or in registered form.</p> <p>Registered Notes will not be exchangeable for Bearer Notes and vice versa</p> <p>Each Series/Tranche of Bearer Notes will be represented on issue by a Temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the TEFRA D Rules (as defined in the "Selling Restrictions" below), otherwise such Tranche will be represented by a Permanent Global Note.</p> <p>Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series.</p>
Further Issues:	Unless otherwise provided in the applicable Final Terms, the Issuer may from time to time issue further Notes of any Series on the same terms as existing Notes and such further Notes shall be consolidated and form a single series with such existing Notes of the same Series. In relation to any secured Series of Notes, any such further notes shall only form a single Series with the Notes (unless otherwise sanctioned by an Extraordinary Resolution) if the Issuer provides additional assets (as security for such further notes) which are fungible with, and have the same proportionate composition as, those forming part of the Secured Property for the Notes and in the same proportion as the proportion that the nominal amount of such new notes bears to the Notes.

Governing Law of Notes:	The Laws as applicable in GD Luxembourg, unless otherwise specified in the applicable Final Terms.
Index:	<p>An asset allocation or a basket of assets or securities to be provided by an Index Provider and replicated by the Issuer as such within one or several Compartments.</p> <p>The description of the method of construction or replication of the Index will be specified in the applicable Final Terms.</p>
Index Provider:	A third party providing the composition or allocation of any index to be replicated by the Issuer within one or several Compartments. Any such Index Provider will be specified in the applicable Final Terms.
Initial Delivery of Notes:	<p>On or before the issue date for each Series/Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under NSS, the Global Note or Global Certificate (as applicable) will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.</p> <p>On or before the issue date for each Series/Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream, Luxembourg or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer.</p> <p>Registered Notes that are to be credited to one or more clearing systems on issue will be held in Euroclear and Clearstream, Luxembourg or a common depository on their behalf.</p>
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the applicable Final Terms.
Investment Advisor (if appointed):	<p>As described in the relevant the relevant Final Terms, the Issuer will enter into an investment advisory services agreement with the Investment Advisor (the "<b>Investment Advisory Agreement</b>") in order to govern the appointment of such Investment Advisor in respect of any Series of Notes where it is requested to provide investment advisory services in relation with the Underlying Assets held by the respective Compartment.</p> <p>The Investment Advisor, on any Series of Notes on which it is appointed as Investment Advisor, act as a separate agreement governing the appointment of such Investment.</p>
Issuance Documentation:	the Private Placement Memorandum together with the Final Terms, the Global Note (and the Subscription Form if the Notes are not issued in the clearing system).



Issue Price:	Notes may be issued at their principal amount or at a discount or premium to their nominal amount.  Partly paid Notes may be issued, the issue price of which will be payable in two or more instalments as indicated in the relevant Final Terms.
Issuer:	MRB SECURITIES, Securitisation Fund represented and managed by MRB MANAGEMENT, <i>société à responsabilité limitée</i> registered with Luxembourg Register of Commerce and Companies with number B279461 and with the registered address at 2C, Parc d'Activités, L-8308 Capellen, Grand Duchy of Luxembourg, acting for and on behalf of any of its Compartment(s).
Jurisdiction:	The tribunals and courts of Luxembourg city.
Leverage:	Any Compartment may be leveraged and/or acquire its assets on margin if so specified in the Final Terms assuming that the amount borrowed by the Securitisation Fund should be ancillary in comparison with the aggregate value of the securitisation transaction.
Legal Identity Identifier (LEI)	2138007ZV729OVJJW704
Listing:	Application can be made to the Luxembourg Stock Exchange for certain Series of Notes issued under the Programme to be admitted to the Official List and trading on its multilateral trading facility, or on any other stock exchange specified in the applicable Final Terms.  No assurance can be given that such listing can be obtained and/or maintained.  Unlisted Notes may also be issued.
Mandatory Redemption:	Unless otherwise specified in the applicable Final Terms, not applicable.
Management Company:	The management company of the Securitisation Fund
Manager(s):	Means the member(s) of the board of managers of the Management Company
Maturity Date:	In relation to a Series of Notes, means the date of maturity of the Notes in such Series as specified in the applicable Final Terms.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis and will be in Series. The Notes in each Series will have one or more issue dates and be on terms otherwise identical (or identical other than in respect of the first payment of interest) and will be intended to be interchangeable with all other Notes of that Series.
Negative Pledge/Restrictions:	The Issuer will not grant or permit to subsist any security interest upon the whole or any part of its assets having priority over and ranking ahead of any security interest described in the Section related to the TERMS AND CONDITIONS OF THE NOTES (other than any lien or other security interest arising by operation of law or in the ordinary course of business and not as a result of any default or omission by the Issuer and excluding liens for taxes that are overdue and uncontested).

Non-Fungible Asset:	Means any Underlying Assets which is not fungible ie which cannot be replaced by an asset which is exactly identical.
Optional Redemption:	The Final Terms of each Series of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer and/or the Noteholders (either in whole or in part) and, if so, the terms applicable to such early redemption.
Other Secured Parties:	If so specified in the applicable Final Terms, persons other than the Security Trustee may be entitled to the benefit of the security for a Series of Notes. The priority of each person entitled to the benefit of such security will be as specified in the applicable Final Terms.
Paying Agent (if appointed):	If appointed in the relevant Final Terms. The Issuer will enter into an agency agreement with the Paying Agent (the " <b>Agency Agreement</b> ") in order to govern the appointment of such Paying Agent on any Series of Notes where it is requested to act. The Paying Agent shall, on any Series of Notes on which it is appointed as paying agent, act as a separate agreement governing the appointment of such Agent.
Portfolio Manager (if appointed):	Means a service provider appointed by the Management Company to actively manage all or part of the Underlying Assets during a Securitisation Transaction as described in the relevant Final Terms.
Private Placement Memorandum: (PPM)	Or PPM means all the terms and conditions applicable to all the Series of Notes.
Professional Client:	Means any professional client within the meaning of Annex II of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014.
Prohibited Persons:	Means such individual or legal entities which are to be determined at the sole discretion of the Management Company as not being eligible to invest in the Series of Notes or to remain a Noteholder in the Issuer and for which the Management Company may require the withdrawal in the circumstances and within the conditions set out in this Private Placement Memorandum.
Rating:	Series or Tranches of Notes will be rated or unrated.  Where a Series/Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms and will not necessarily be the same as the ratings assigned to the Programme.  A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating organisation.
RBO Law:	The Luxembourg law of 13 January 2019 creating a register of beneficial owners;
Redemption Amount:	Each Note will be redeemed at its Redemption Amount, which unless otherwise specified in the applicable Final Terms, is its outstanding principal amount together with accrued interest on the Maturity Date specified in such Final Terms.

Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Company in fulfilling its obligations in respect of the Notes are discussed under the section "Risk Factors" below.
Securitisation Law:	Means the Law on securitisation dated 22nd of March 2004 as amended
Security Trustee (to be appointed on a secured Series of Notes only):	If appointed in the relevant Final Terms. The Issuer will enter into a security agreement with the security trustee (the " <b>Security Agreement</b> ") in order to govern the appointment of such security trustee on any secured Series of Notes where it is requested to act. The Security Agreement shall, on any Series of Notes on which it is appointed as security trustee, constitute a separate agreement governing the appointment of such security trustee. The Issuer may appoint any other security trustee named in the applicable Final Terms in relation to a specific Series of Notes. The Noteholders shall be deemed to have notice of and bound by all the provisions of the Security Agreement.
Selling and Transfer Restrictions:	See the specific Section "Subscription and Sale" below which is applicable to all Notes unless otherwise specified in the applicable Final Terms
Size:	The aggregate nominal amount of Notes outstanding will not at any time exceed 2.000.000.000,00 EUR (or its equivalent in other currencies subject to increase as described herein).  The aggregate nominal amount per Series of Notes will be determined by the Management Company of the Issuer for each Series of Notes and set out in the relevant Final Terms.
Status of Notes and Limited Recourse:	The Notes of each Series will be limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves and will be either secured or unsecured as set out in the applicable Final Terms. The Notes will be obligations solely of (the relevant Compartment of) the Issuer and will not be guaranteed by, or be the responsibility of, any other entity.  Recourse in respect of any Series of Notes will be limited to the relevant Underlying Assets. The net proceeds from the realisation of the Underlying Assets may be insufficient to pay all amounts due to the Noteholders and any other creditors of the relevant Compartment. No other assets of the Issuer (including without limitation assets belonging to any other Compartment) are available to make up any shortfall. In case of a shortfall, all claims in respect of the Notes of the relevant Compartment shall be extinguished and no one shall have any further claims against the Issuer in respect of any unpaid amounts.
Secured Notes:	The Notes of a Series will be either secured or unsecured in the manner set out in the relevant applicable Final Terms. On any issuance of a secured Series of Notes a Custodian may be appointed by the Issuer to hold the Underlying Assets and security over, among other things, the Underlying Assets may be granted in favour of a Security Trustee (if appointed).

Tracker Certificate	Notes identified as “Tracker Certificate” in the applicable Final Terms may be issued at their principal amount or at a premium or discount to it, redeemed at a par calculated as specified in the Final Terms and may bear interest based on a formula, a performance, an Index linked with all or part of the value and cash flows related to the Underlying Assets, the cash flows generated within the Compartment or the risks acquired by the Compartment as specified in the relevant Final Terms.
Underlying Assets:	The eligible assets, risks or cash flows to be acquired by one Compartment as determined in the relevant Final Terms of the Notes to which these assets are linked.
US Person:	<p>In accordance with FATCA, a citizen or resident individual, a partnership or corporation organised in the United States or under the laws of the United States or any State thereof, a trust if:</p> <p>(a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust; and</p> <p>(b) one or more US Persons have the authority to Control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. For the avoidance of doubt, this term will always be interpreted in accordance with Article 1 ee) of the IGA.</p> <p>US Person: For the purposes of Regulation S, any natural person resident in the US; any partnership or corporation organised or incorporated under the laws of the US (other than agencies or branches of such entities located outside of the US that are operated for valid business reasons, engaged in banking or insurance and subject to substantive banking or insurance regulation in the jurisdiction where located); any estate of which any executor or administrator is a US person (unless investment discretion is solely, or shared, with an executor or administrator that is a non-US person and the estate is governed by non-US law); any trust of which any trustee is a US person (unless investment discretion is solely, or shared, with a trustee that is a non-US person and no beneficiary of the trust is a US person); any agency or branch of a foreign entity located in the US; any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US person; any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the US (unless the account is held for the benefit or account of a non-US person); and any partnership or corporation organised or incorporated under the laws of any non-US jurisdiction if formed by a US person principally for the purpose of investing in securities not registered under the US Securities Act of 1933.</p>
Website:	www.fundnav.lu or any website indicated in the relevant Final Terms.
Withholding Tax:	The Issuer shall make all payments to be made by it on any of the Notes without any deduction or withholding for or on account of tax, unless a deduction or withholding is required by law. If any withholding or deduction is imposed on payments on or in respect of the Notes, the Noteholders will

	not be entitled to receive grossed-up amounts nor will they be reimbursed for any shortfall.
Zero Coupon Notes:	Notes identified as "Zero Coupon Notes" in the applicable Final Terms may be issued at their principal amount or at a discount to it, redeemed at a par calculated as specified in the Final Terms and will (in principle) not bear interest.

## 2 RISK FACTORS

### 2.1 General risks of investing

#### *Introduction*

Investing in the Notes may involve a number of significant risk factors. Prospective investors should carefully consider the following factors, among others, in making their investment decision and should consult their own legal, tax and financial advisors as to all of these risks and an investment in the Issuer.

The risk factors set out below represent a non-exhaustive list of risks that investors ought to consider.

#### *General Risks of Investing*

An investment in the Notes is subject to all risk's incidental to investment in securities, risks, receivables, future cash flows and any other movable and immovable assets, which may be owned. These factors include, without limitation, changes in government rules and fiscal and monetary policies, changes in laws and political and economic conditions throughout the world and changes in general market conditions. Substantial risks are involved in investing in securities, currencies, derivatives and the various other instruments in which the Compartment may invest. The prices of these investments are volatile, market movements are difficult to predict, and financing sources and related interest rates are subject to rapid change. One or more markets in which the Issuer may invest may move against the positions held, thereby causing substantial losses. Government policies, especially those of central banks world-wide, have profound effects on interest and exchange rates which, in turn, affect prices in areas of the Underlying Assets. Many other unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

#### *Reliance on Key Individuals*

The Issuer is dependent upon the expertise of the staff in the various Agents and service providers to the Issuer, its Compartments and its Underlying Assets. In many instances one or two key personnel are critical to the success. Any future unavailability of their services could have an adverse impact on performance of the Underlying Assets.

#### *Highly Volatile Markets*

The prices of derivative instruments, including options, are highly volatile. Price movements of derivatives in which the Compartment may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Issuer also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

#### *Illiquidity of Markets*

Futures and certain options and other instruments which involve an element of gearing carry a high degree of risk. A relatively small market movement or certain investment strategies involving such instruments will have a disproportionately large impact, unfavourable as well as favourable, on the amount of funds invested or committed to such instruments or strategies. At various times, the markets for some securities purchased or sold may be illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. For example, securities exchanges and regulatory agencies have authority to suspend trading in a particular security without notice. Because there may not be a recognisable market for some investments, it may be difficult for the Issuer to deal in any such investments or to obtain reliable information about their value or the extent of the risks to which such investments are exposed.

### *Economic and Market Conditions*

The Underlying Assets will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the investments. Volatility or illiquidity could impair the Compartment's profitability or result in losses.

### *Investors*

Each prospective investor in Notes should have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal and interest may reduce as a result of the occurrence of different events whether related to the creditworthiness of any entity or otherwise or changes in particular rates, prices, values or indices, or where the currency for principal or interest payments is different from the prospective investor's currency, including a loss of their entire invested amount and any potential returns related to it.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its professional advisers to determine whether and to what extent (a) the Notes are legal investments for him, and/or (b) other restrictions apply to his purchase of any Notes. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

For the purposes of these risk factors, references to "Noteholders" or "holders of Notes" should generally be read as including holders of beneficial interests in such Notes, except where the context otherwise requires.

### *The Notes*

The Notes are complex instruments that involve substantial risks and are suitable only for sophisticated investors who have sufficient knowledge and experience and access to such professional advisers as they shall consider necessary in order to make their own evaluation of the risks and the merits of such an investment (including without limitation the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment) and who have considered the suitability of such Notes in light of their own circumstances and financial condition. Prospective investors should ensure that they understand the nature of the risks posed by an investment in the Notes, and the extent of their exposure as a result of such investment in the Notes and, before making their investment decision, should consider carefully all of the information set forth in this Private Placement Memorandum and, in particular, the considerations set forth below. Owing to the structured nature of the Notes, their price may be more volatile than that of unstructured securities.

The Issuer believes that the following factors may affect its ability to fulfil its scheduled obligations under the Notes issued under the Programme. The Issuer is not in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes or the reduction of any such amounts may occur for other reasons not set out herein and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Private Placement Memorandum and the applicable Final Terms, and reach their own views prior to making any investment decision.

The risk factors identified in this Private Placement Memorandum are provided as general information only and the Issuer disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated therewith as may exist at the date hereof or as may from time to time alter. Additional risk factors may be set out in any Final Terms.

#### *No reliance*

A prospective investor may not rely on the Issuer, the Agents or the Security Trustee (or any of their respective affiliates) in connection with his determination as to the legality of his acquisition of the Notes or as to any of the other matters referred to above.

#### *No representations*

Neither one of the Issuer, the Agents and the Security Trustee (or any of their respective affiliates) makes any representation or warranty, express or implied, in respect of any (a) Underlying Assets or in respect of any information contained in any documents prepared, provided or filed in respect of such Underlying Assets with any exchange, governmental, supervisory or self-regulatory authority or any other person, (b) issuer or obligor of any Underlying Assets or in respect of any information contained in any documents prepared, provided or filed by or on behalf of such issuer or obligor with any exchange, governmental, supervisory or self-regulatory authority or any other person, (c) relevant swap counterparty or in respect of any information contained in any documents prepared, provided or filed in respect of such party with any exchange, governmental, supervisory or self-regulatory authority or any other person or (d) relevant swap agreement or in respect of any information contained in any documents prepared, provided or filed in respect of such agreement with any exchange, governmental, supervisory or self-regulatory authority or any other person.

Neither the Agents or the Security Trustee makes any representation or warranty, express or implied, in respect of the Issuer or in respect of any information contained in any documents prepared, provided or filed by or on behalf of the Issuer.

#### *No strict fiduciary role*

Neither one of the Issuer, the Agents and the Security Trustee (or any of their respective affiliates) is acting as an investment adviser to Noteholders or as an adviser to Noteholders in any other capacity, and neither one of them (or any of their respective affiliates) assumes any fiduciary obligation to any Noteholder or any other party (other than the Security Trustee in its capacity as security trustee for itself and the other secured creditors identified in the relevant Final Terms and then in the Security Agreement, being the specific terms governing the appointment of such security trustee).

Neither one of the Issuer, the Agents and the Security Trustee assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Underlying Assets or the terms thereof (or of any swap counterparty or the terms of any swap agreement).

Investors may not rely on the views of the Issuer, the Agents or the Security Trustee (or any of their respective affiliates) for any information in relation to any person.

#### *Cybersecurity Risk*

The Issuer processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Issuer and personally identifiable information of the Noteholders. Similarly, service providers of the Issuer or the Issuer, may process, store and transmit such information. The Issuer has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be



difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Issuer may be susceptible to compromise, leading to a breach of the Issuer's network or administration.

The Issuer's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Issuer to the Noteholders may also be susceptible to compromise. Breach of the Issuer's information systems may cause information relating to the transactions of the Issuer and personally identifiable information of the Noteholders to be lost or improperly accessed, used or disclosed.

The service providers of the Issuer and the Issuer are subject to the same electronic information security threats as the Issuer. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Issuer and personally identifiable information of the Noteholders may be lost or improperly accessed, used or disclosed. The loss or improper access, use or disclosure of the Issuer's or the Issuer's proprietary information may cause the Issuer or the Noteholders to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Issuer and the Noteholders' investments therein.

*Outbreaks of Communicable Infections or Diseases, or Other Public Health Pandemics, Such As the Recent Outbreak of the Novel Coronavirus ("Covid-19").*

Disease outbreaks and other public health conditions, such as the global outbreak of Covid-19 currently being experienced, in markets in which the Issuer makes investments, could have a significant negative impact on the Securitisation Fund's investments. While the Covid-19 outbreak is ongoing globally, international financial markets continue to reflect the uncertainty associated with the slowdown in the economy and the impact of businesses, workers, customers and others which are prevented or restricted from conducting business activities due to quarantines, business closures or other restrictions imposed by businesses or governmental authorities in response to the Covid-19 outbreak. This could result in another economic downturn, a delayed recovery and cause continued market disruption which negatively impacts the Securitisation Fund's investments. The imposition of international travel restrictions and the potential disruption to the Issuer's business if the Director(s) is/are subject to quarantine, contract Covid-19, or are otherwise unable to work due to restrictions related to the Covid-19 outbreak or a resurgence could negatively impact the Issuer's business and could have a material adverse effect on the Management Company's ability to manage the Compartment Assets.

## **2.2 Risks relating to the Issuer**

*The Issuer is a special purpose entity*

The Issuer is in the business of issuing Notes for the purposes of purchasing or otherwise acquiring assets, cash flows and/or entering into derivatives and other contracts with the issue proceeds. As such, no Compartment of the Issuer will have any assets other than the assets acquired with the net proceeds from the issue of Notes by such Compartment and the assets received by the relevant Compartment from time to time in respect of the foregoing assets.

Underlying Assets may decline in value and the relevant Compartment may have to sustain a total loss of investment in its Underlying Assets.

*Securitisation Law and Compartments*

The Issuer is organised as a securitisation fund under the Securitisation Law with several Compartments.

This means that, under the Securitisation Law, the Articles, the General Management Regulations and the Conditions as amended and/or supplemented by any applicable Final Terms, claims against the Issuer by the holders of Notes of any Series will be limited to the Underlying Assets (including the net proceeds of the security created pursuant to the applicable Security Agreement and/or any additional security) of the Compartment that issued that particular Series of Notes.

It also means that (a) each Compartment is a separate and distinct part of the Issuer's estate (*patrimoine*), such that any Compartment's Underlying Assets are exclusively available to satisfy the rights of the holders of Notes issued by and other creditors of that Compartment (and not of other creditors of the Issuer) and that, conversely, recourse of a Compartment's Noteholders and other creditors is limited to the Underlying Assets of that Compartment and (b) the fees, costs and expenses in relation to a Series of Notes are fees, costs and expenses of the Compartment that issued the relevant Series of Notes.

However, under the Conditions, the Issuer's general expenses and liabilities, which do not specifically relate to any Compartment or which otherwise relate to the general core of the Issuer, may be apportioned between the Compartments by the Management Company. Any such apportionment will reduce the amounts that would otherwise have been payable in respect of the Notes of any Series.

#### *No action against the Issuer*

Under the Conditions, subject to and in accordance with article 64, paragraph (1) of the Securitisation Law, no Noteholder can attach property of the Issuer or apply for bankruptcy of the Issuer or request the opening of any other collective or restructuring proceedings in respect of the Issuer.

#### *Fees and expenses*

In relation to any Series of Notes, fees and expenses (including fees payable to the Agents and the Security Trustee) as set out in the applicable Final Terms, shall rank senior to payments of principal and interest on the Notes of such Series.

#### *Anti-money laundering*

The Issuer may be subject to anti-money laundering legislation in its jurisdiction of incorporation. If the Issuer or the Noteholders were determined to be in violation of any such legislation, any such violation could materially and adversely affect payments made by the Issuer in respect of any Notes.

#### *No registration under U.S. securities laws*

The Issuer has not registered with the U.S. Securities and Exchange Commission as an investment company pursuant to any U.S. securities laws. If the U.S. Securities and Exchange Commission or a court of competent jurisdiction were to find that the Issuer is required to register but, in violation of applicable law, had failed to register as an investment company, possible consequences include the U.S. Securities and Exchange Commission applying to a court to enjoin the violation and/or investors suing the Issuer and recovering any damages caused by the violation. In any such instance the Issuer would be materially and adversely affected.

#### *Requirement for the Issuer to be licensed or authorised*

The Issuer is not required to be licensed or authorised under any current Luxembourg laws or regulations. There is no assurance, however, that any Luxembourg regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorised under the laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse impact on the Issuer or the holders of Notes of any Series.

The Issuer is organised as a securitisation undertaking within the meaning of the Securitisation Law and shall not be required to be authorised by the CSSF within the meaning of the Securitisation Law (and as further clarified in the CSSF Securitisation Frequently Asked Questions). The Issuer did its own related self-assessment.

#### *Borrowing or Leverage*

Borrowing money to purchase an instrument may provide the opportunity for greater capital appreciation but at the same time may increase the risk of loss with respect to the instrument. Although borrowing could increase returns to the Issuer, borrowing could also decrease returns if it fails to earn as much on such incremental positions as it pays for such funds. In addition, the level of interest rates generally, and the rates at which the Issuer can borrow in particular, will ultimately affect its operating results. Adverse fluctuations in the value of the currencies in which the Issuer borrows may also affect its operating results. If loans to the Issuer are collateralised with assets of the Issuer that decrease in value, the Issuer could be obligated to provide additional collateral to the lender in the form of cash or securities to avoid liquidation of the pledged assets. Any such liquidation could result in substantial losses. Moreover, counterparties of the Issuer, at their sole discretion, may change the leverage limits that they extend to the Issuer.

#### *The Issuer's working capital reserves may not be adequate to meet its obligations*

The Issuer intends to maintain working capital reserves to meet its obligations, including operating expenses and premium payments. If the Issuer does not have adequate cash reserves to continue its operations (including, without limitation, funding one of the Compartment Obligations in some cases) investors could suffer substantial losses unless the Issuer is able to secure additional funds. Under such circumstances, the Issuer may need to borrow funds. There is no assurance that such borrowing will be available or on terms acceptable to the Issuer. The Issuer may be required to liquidate investments unless it is able to secure additional funds.

#### *Consequences of winding-up proceedings*

If the Issuer fails for any reason to meet its obligations or liabilities (that is, if the Issuer is unable to pay its debts and cannot obtain further credit), a creditor, who has not (and is not deemed to have) accepted non-petition and limited recourse provisions in respect of the Issuer, may be entitled to make an application for the commencement of insolvency proceedings against the Issuer. In that case, such creditor would however not have recourse to the assets of any Compartment created by the Issuer but would have to exercise its rights against the general assets (if any) of the Issuer unless such rights arise in connection with the "creation, operation or liquidation" of a Compartment, in which case, the creditor would have recourse to the assets of such Compartment but he would not have recourse to the assets of any other Compartment. Furthermore, the commencement of such proceedings may, in certain conditions, entitle creditors to terminate contracts with the Issuer and claim damages for any loss created by such early termination. The Issuer will seek to contract only with parties who agree not to make application for the commencement of winding-up, liquidation and bankruptcy or similar proceedings against the Issuer. Legal proceedings initiated against the Issuer in breach of these provisions will, in principle, be declared inadmissible by a Luxembourg court.

#### *Catastrophe and terrorism*

The Underlying Assets and the Issuer's operations are exposed to risks of a catastrophic nature such as earthquakes, floods and hurricanes as well as to acts of terrorism. If such risks materialise, they will impact the ability of the Issuer to repay the obligations.

Terrorist attacks may adversely affect or even completely destroy the value of individual properties or wide areas around individual properties. Economic disruption or recession stemming from such attacks can reduce the value of the Underlying Assets of all kinds and delay the process of treatment, accounting, valuation, disposal, audit, repayment, administration and servicing of these assets.

#### *Legal Opinion*

A legal opinion relating to the obligations of the Issuer may be obtained on issue with respect to the laws of Luxembourg but no such opinion will be obtained with respect to any other applicable laws and no investigations will be made into the validity or enforceability of the laws of any other jurisdiction in respect of the Obligations under the Notes. Any such legal opinions will not be addressed to, and may not be relied on by, Noteholders. In particular, save as aforesaid, no legal opinions will be obtained in relation to:

- (i) the laws of the country of incorporation of any obligor(s) in respect of the Underlying Assets; or
- (ii) the laws of the country in which the Underlying Assets are situated; or
- (iii) the laws of the country which are expressed to govern the Underlying Assets.

Such laws, depending upon the circumstances, may affect, among other things, the validity and legal and binding effect of the Underlying Assets and the effectiveness and ranking of any security for the Notes.

Consequently, no responsibility is accepted by the Issuer in relation to such matters.

### **2.3 Risks relating to the Notes**

#### *Subscription Risk*

Moneys subscribed in advance of a dealing day as specified in the Issuer Terms and held pending investment may be viewed by the courts as assets of the Issuer or a Compartment in the event of the insolvency of the Issuer or the Compartment prior to that dealing day.

#### *Exchange Rate Fluctuations*

Noteholders bear all risks of exchange rate fluctuations between the Compartment's currencies and other currencies. Some expenses of a Compartment may be incurred in other currencies. Where appropriate the Issuer will seek to procure foreign currency hedging agreements in order to mitigate Foreign Exchange rate risk for the noteholders.

#### *Limited recourse obligations*

The Notes are expressed to be limited recourse in nature. Payments due in respect of the Notes of any Series will be made solely out of amounts received by or on behalf of the Compartment of the Issuer in respect of its Underlying Assets. The relevant Compartment of the Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes issued by it. If the proceeds of the realisation of any security received by the Security Trustee for the benefit of the holders of Notes of any given Series proves insufficient to make payments on or deliveries under such Notes, as the case may be, no other assets will be available for payment or delivery in respect of the shortfall, and, following distribution of the proceeds of such realisation, any outstanding claim against the Issuer in relation to such Notes shall be extinguished and no debt shall be owed by the Issuer in respect thereof.

#### *Security*

Subject to the applicable Final Terms, the Notes of any Series can have the benefit of a security over the assets of the relevant Compartment and the rights of the Issuer under the Transaction Documents (as defined in the Conditions) relevant to such Series of Notes which are granted to the Security Trustee (in its capacity as security trustee for itself and the other secured creditors identified in the relevant Final Terms for a specific Series).

Only the Security Trustee may enforce such a security interest in any Underlying Assets and no Noteholder shall be entitled to proceed directly against the Issuer in relation to the security unless the Security Trustee, having become bound to proceed in accordance with the Security Agreement, fails to do so within a reasonable period and such failure is continuing.

Security over Underlying Assets shall be obtained at all times by external legal counsel with appropriate legal opinions and professional liability equivalent to the principle value of the note issuance.

#### *Meetings of Noteholders, written resolutions, modifications and waivers*

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain written resolutions on matters relating to a Series of Notes from Noteholders without calling a meeting.

A written resolution signed by or on behalf of the holders of more than 50% in principal amount of the Series of Notes then outstanding or a resolution passed by electronic consent in accordance with the rules and procedures of the relevant clearing systems by or on behalf of the holders of more than 50% in principal amount of that Series of Notes then outstanding will, for all purposes, be deemed to be a resolution passed in/as a meeting of noteholders.

The Issuer may also effect amendments to the Series of Notes and the Conditions without the consent of the Noteholders (a) for the purpose of curing any ambiguity or for curing, correcting or supplementing any defective provision contained in the Conditions, or (b) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes of that Series. In addition, the parties to the Agency Agreement, the Custody Agreement and/or any Central Administration Service Agreement may agree to modify any provision thereof but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

If a Security Trustee has been appointed in relation to a Series of Notes, the consent of the Security Trustee will be required to amend any Transaction Document that the Security Trustee is a party to or under which it has assigned rights as part of the Security for such Series and such consent shall only be given by the Security Trustee in accordance with the Security Agreement.

#### *No gross-up*

In the event that any withholding tax or deduction for tax is imposed on payments on or in respect of the Notes (as a result of CRS, FATCA or otherwise), the Noteholders **will not** be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall.

#### *Early redemption*

If so provided in the relevant Final Terms, the Notes of any Series may be redeemed on a date other than the fixed maturity date. Subject to the Final Terms, any such redemption of notes shall be at their Redemption Amount together with interest accrued to the date fixed for redemption (where relevant). In addition, the holders of Notes of any Series have the right to direct a redemption of the Notes of such Series upon the occurrence of an event of default with respect to the Notes of such Series.

In such circumstances, the Issuer may be required to liquidate some or all of the relevant Underlying Assets and/or the relevant security may have to be enforced.

#### *Market value of Notes*

The market value of the Notes will be affected by a number of factors, including, but not limited to (a) the value and volatility of the Underlying Assets and the creditworthiness of the issuers of any Underlying Assets and/or the obligors of any Compartment, (b) the value and volatility of any index, securities, commodities or other obligations to which payments on the Notes 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 Notes may be linked, directly or indirectly, (c) market perception, interest rates, yields and foreign exchange rates, (d) the time remaining to the maturity date of the Notes, and (e) the nature and liquidity of any swap agreement or any other derivative transaction entered into by the Issuer or embedded in the Notes or the Underlying Assets. Any price at which Notes may be

sold prior to their maturity date may be at a discount, which could be substantial, to the value at which the Notes were acquired on the Issue Date.

Prospective purchasers should be aware that not all market participants would determine prices in respect of the Notes in the same manner, and the variation between such prices may be substantial.

#### *Notes held in a clearing system*

Because the Global Notes are to be held by or on behalf of Euroclear and/or Clearstream, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Euroclear and/or Clearstream, as the case may be, will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, as the case may be.

Because the Notes are represented by one or more Global Notes, the Issuer will discharge its payments obligations under the Notes by making payments to Euroclear and/or Clearstream, as the case may be, for distribution to their accountholders. A holder of an interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, as the case may be, to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in Global Notes.

#### *Restrictions on Transfer*

The Notes have **not** been registered under the Securities Act, or under any U.S. state securities or "Blue Sky" laws or the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemption from registration provided by such laws. There is no market for the Notes being offered hereby and, as a result, a purchaser must be prepared to hold the Notes for an indefinite period of time or until the maturity thereof.

No Notes may be sold or transferred without the consent of the Issuer and unless such sale or transfer (i) is exempt from the registration requirements of the Securities Act (for example, in reliance on exemptions provided by Rule 144A) and applicable state securities laws;

(ii) will not constitute or result in a non-exempt "prohibited transaction" under ERISA or Section 4975 of the Code or any substantially similar law;

(iii) does not cause the Issuer to become subject to the registration requirements of the Investment Company Act; and

(iv) is made to a United States person under the Code or to a person eligible for certain income tax treaty benefits.

Prospective Transferees of the Notes will be required to deliver a certificate to the Issuer relating to compliance with the Securities Act, applicable state securities laws, ERISA, Section 4975 of the Code and the Investment Company Act.

The Issuer will not provide registration rights to any purchaser of the Notes and neither the Issuer, nor any other person may register the Notes under the Securities Act or any state securities or "Blue Sky" laws nor may the Issuer take such action with respect to the Underlying Assets.

## **2.4 Risks relating to Underlying Assets**

### *No Independent Investigation in Relation to the Underlying Assets*

None of the Issuer, the Agents, their legal advisers or the Calculation Agents has undertaken or will undertake any investigations, searches or other actions in respect of Underlying Assets. Investment in the Notes involves significant risks.

While it is the intention of the Issuer to implement strategies that are designed to minimise these risks, there can be no assurance that these strategies will be successful. An investor may potentially lose a substantial portion or all of its investment in the Notes. The income associated with the Notes (where income is distributed) may be subject to market fluctuations. As a result, each investor should carefully consider whether it can bear the risks of investing in the Issuer.

Where appropriate, the Arranger, the Arranger's legal advisors, the Issuer's legal advisors and third party due diligence providers shall conduct a reasonable level of due diligence as may be required for the Underlying Assets. In some cases where necessary, enhanced due diligence on the Underlying Assets and its related counterparties shall be carried out.

#### *Exposure To Only One Asset Class*

The Issuer may invest all the proceeds of an issuance of a Series of Notes into one single type of Underlying Assets. The only source of income/yield for the related Compartment will be exclusively generated by that type of Underlying Assets. If the Issuer is not able to receive the income from such Underlying Asset nor to dispose of it, the Issuer may not be able to make payments under the Conditions and the investor may receive in specie redemptions as an equivalent to cash. The Issuer's investments may be subject to more rapid change in value than would be the case if the Issuer were to maintain diversification among types of securities and other instruments and countries.

#### *Realisation of Underlying Assets*

The Underlying Assets underlying any Series of Notes may be subject to a variety of risks including credit, liquidity and interest rate risks. In the event of an insolvency of an obligor of any Compartment, various insolvency and related laws applicable to such obligor may (directly or indirectly) limit the amount the Issuer or the Security Trustee may recover in case of liquidation of the Underlying Assets on redemption of the relevant Series.

Noteholders should be aware that they may be exposed to fluctuations in the market price of the Underlying Assets underlying any Series of Notes. There can be no assurance as to the amount of proceeds of any sale or realisation of Underlying Assets as the market value of such Underlying Assets will be affected by a number of factors including the creditworthiness and financial condition of any obligor of the relevant Compartment, volatility of financial markets, general economic conditions, domestic and international political events, trends in a particular industry, interest rates, yields and foreign exchange rates, the time remaining to the scheduled maturity of Underlying Assets and the liquidity of the Underlying Assets.

The price at which Underlying Assets are sold or realised may therefore be at a substantial discount to the market value and/or the principal amount of Underlying Assets on the issue date and the proceeds of any such sale or realisation may not be sufficient, following deduction of amounts to be paid to prior ranking claimants, to repay the principal and interest on the relevant Notes that the holders of such Notes would expect to receive in the event that the Notes were redeemed in accordance with their terms on their maturity date.

Noteholders should recognise that Noteholders bear a risk of a default of the Underlying Assets as well as any decline in value of the Underlying Assets. If the value of any Underlying Assets has declined since the date of purchase, the Notes may decline in value and Noteholders should be prepared to sustain a total loss of Noteholders' investment in the Notes.

#### *Illiquid Underlying Assets*

The Underlying Assets may comprise or include privately placed, unlisted securities or domestic securities or other assets which are not admitted to any trading market and which are not readily realisable.

#### *Country and regional risk*

The price and value of Underlying Assets, and/or the ability of any issuer of Underlying Assets to perform its obligations, may be influenced by the political, financial and economic stability of the country and/or region in which the issuer of the Underlying Assets or the obligor of the relevant Compartment is incorporated or has its principal place of business or of the country in the currency of which the Underlying Assets are denominated. The value of securities and other assets issued by entities located in, or governments of, emerging market countries is generally more volatile than the value of similar assets issued by entities in well-developed markets. However, 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.

Where appropriate, the Issuer will carry out risk mitigation methods suitable for any Underlying Assets related to emerging markets, such risk mitigation methods shall consist of appropriate insurance policies including but not limited to political risk, contract frustration etc and/or credit worthy guarantees.

#### *Substitution of Underlying Assets*

The terms of the Notes may provide that the Underlying Assets may be substituted or replaced at the discretion of the Issuer but they might not be exactly of the same kind nor fully fungible.

#### *Credit risk of counterparties*

In certain cases, the security for the Notes (if any) may be limited to the claims of the Issuer against an obligor under an agreement entered into by the Issuer in relation to such Notes and in such circumstances, Noteholders will be exposed to the risk of the obligor.

Where necessary the Arranger shall only give priority to counterparties related to the credit quality of the Underlying Assets that hold an investment grade rating. In the absence of such a rating of the counterparties, credit enhancement will be provided as an additional form of recourse to improve the overall credit quality of the issuance.

#### *Provision of information*

The Issuer, the Agents and the Security Trustee, whether by virtue of the types of relationships described herein or otherwise, may possess information in relation to any obligor of a Compartment or any entity that is or may be material in the context of Notes and that may or may not be publicly available or known to the Noteholders or any other person.

The Notes will not create any obligation on the part of the Issuer or any of the Agents or the Security Trustee to disclose any such relationship or information (whether or not confidential).

## **2.5 Specific Risks linked to Underlying Assets when invested in Securities**

#### *Distressed Securities*

Distressed securities are securities issued by companies that are involved in bankruptcy or insolvency proceedings or experiencing other financial difficulties. The performance of investments in distressed securities may be adversely affected to a greater extent by specific economic developments affecting an issuer, or by a general economic downturn, than investment in securities of issuers not facing such difficulties. Investments in distressed securities may also be affected by the consequences of bankruptcy proceedings, restructuring negotiations or other extraordinary corporate transactions.

#### *Money Market and Other Liquid Instruments.*

Money market instruments are short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include government securities, commercial paper, certificates of deposit, bankers' acceptances, and repurchase agreements.

#### *Short Selling*



Short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no guarantee that securities necessary to cover a short position will be available for purchase. Due to regulatory or legislative action taken by regulators around the world as a result of recent volatility in the global financial markets, taking short positions on certain securities has been restricted. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult and, in some cases, impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions.

#### *Equity Securities and Equity-Related Instruments*

Stocks, options and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. "Equity securities" and "Equity Related Instruments" may include ordinary shares, preferred shares, convertible debt obligations, convertible preferred securities, equity interests in trusts, partnerships, joint ventures or limited liability companies and similar enterprises, warrants and share purchase rights. In general, securities values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. The stock markets tend to be cyclical, with periods when share prices generally rise and periods when share prices generally decline.

#### *Warrants and Rights*

Warrants are derivatives that permit, but do not obligate, their holder to subscribe for other securities or commodities. Rights are similar to warrants, but normally have a shorter duration. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any interest in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of equity-like securities. In addition, the values of warrants and rights do not necessarily change with the values of the underlying securities or commodities and these instruments cease to have value if they are not exercised prior to their expiration dates.

#### *Emerging Markets*

Emerging market investments generally are subject to higher levels of risk than investments in fully developed markets. Emerging market investments are subject to other risks, including policies of governments with respect to possible nationalisation of their industries, political difficulties and expropriation of assets or confiscatory taxation.

Where appropriate, the Issuer will carry out risk mitigation methods suitable for any underlying related to emerging markets, such risk mitigation methods shall consist of appropriate insurance policies including but not limited to political risk, contract frustration etc and/or credit worthy guarantees.

#### *Unregulated Entity*

Any entity invested in by the Issuer for the purposes of meeting the Final Terms may not be regulated and shall not be managed or controlled by the Issuer.

#### *Underlying Fund*

Any fund or other vehicle invested in by the Issuer for the purposes of meeting the Final Terms which entity may not be regulated and shall not be managed or controlled by the Issuer.

## 2.6 Specific Risks linked to Underlying Assets when invested in derivatives

### *General*

Derivatives are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index or interest rate. Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of the particular derivative. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could result in large potential losses.

### *Options and Futures*

Options transactions may be effected on securities or commodity exchanges or in the over-the-counter market. When options are purchased over-the-counter, the owner bears the risk that the counterparty that wrote the option will be unable or unwilling to perform its obligations under the option contract. Options may also be illiquid and, in such cases, the owner may have difficulty closing out its position. Over-the-counter options also may include options on baskets of specific securities. A put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying security, commodity, or futures contract at a stated exercise price, typically at any time prior to the expiration of the option. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying security, commodity, or futures contract at a stated exercise price, typically at any time prior to the expiration of the option. A covered call option is a call option with respect to which the seller of the option owns the underlying security, commodity, or futures contract. The sale of such an option exposes the seller during the term of the option to possible loss of opportunity to realise appreciation in the market price of the underlying security, commodity, or futures contract or to possible continued holding of a security, commodity, or futures contract that might otherwise have been sold to protect against depreciation in the market price of the security, commodity, or futures contract. A covered put option is a put option with respect to which cash or liquid securities have been placed in a segregated account on the books of or with a custodian to fulfil the obligation undertaken. The sale of such an option exposes the seller during the term of the option to a decline in price of the underlying security, commodity, or futures contract while depriving the seller of the opportunity to invest the segregated assets.

Engaging in transactions in futures contracts involves risk of loss. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified periods during the trading day. Futures contract prices could move to the limit for several consecutive trading days with little or no trading, preventing prompt liquidation of futures positions and potentially subjecting a Compartment to substantial losses.

### *Securities Indices*

A stock index fluctuates with changes in the market values of the stocks included in the index.

### *Forward Contracts*

Forward contracts are transactions to purchase or sell a specific instrument at a future date at a specified price. Forward contracts may be used for hedging purposes, such as to protect against uncertainty in the level of future foreign currency exchange rates. For example, this technique would allow the "locking in" the U.S. dollar price of the security. Forward contracts may also be used to attempt to protect the value of existing holdings of securities held in currencies other than its denominated currency. There may, however, be an imperfect correlation between the value of the securities and the forward contracts entered into with respect to those holdings.

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an

individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration.

#### *Swap Agreements*

The transactions are entered into in an attempt to obtain a particular return without the need to actually purchase the reference asset. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease exposure to long-term or short-term interest rates, currency values, or other factors such as security prices, baskets of securities, or inflation rates.

#### *Structured Products*

Structured products or hybrid derivative instruments in which swaps, options, futures or forwards are embedded in other securities. Their return is linked to the performance of the embedded security or basket of securities. Investments in structured products entail varying degrees of risk and while some structured products offer full or partial principal protection, others can subject the owner to losses of its full investment amount. Structured products may use unsecured and unsubordinated debt obligations and may not be publicly listed or traded on an exchange and may therefore be illiquid investments.

#### *Creditworthiness of Counterparties*

OTC markets, such as those in which the Compartment may invest or trade forward contracts, swaps and other derivatives, are principal markets where the counterparty to the Issuer’s trade is likely to be an international commercial business, bank or brokerage fund. OTC contracts are not transacted pursuant to exchange rules and, except in limited instances, do not have the benefits afforded by a clearing house which steps in to take the other side of each trade. As a consequence, the creditworthiness of the counterparty becomes extremely important.

Where necessary, the Arranger shall give priority to counterparties related the credit quality of the Underlying Assets that hold an investment grade rating. In the absence of such a rating of the counterparties, credit enhancement will be provided as an additional form of recourse to improve the overall credit quality of the issuance.

## **2.7 Specific Risks linked to Underlying Assets when invested in fund structures**

#### *Valuation of Investments*

In valuing a fund’s underlying investments in order to determine the Net Asset Value per share, the fund will be dependent upon financial information provided by such investment vehicles (where appointed, from the independent administrator of such vehicles but in the absence of such appointment, sourced from an entity that may not be independent of the fund manager). Such financial information could be incorrect, delayed or subject to significant adjustments, any of which events could adversely affect the valuation of the fund. Prospective investors should also be aware that the valuation or pricing of certain asset classes, particularly hard-to-price assets such as illiquid, unlisted and unquoted securities, may result in subjective prices being applied to the administrator’s calculations of the Net Asset Value of funds.

#### *Risks of Multi-Classes in one fund*

When a Fund has established a number of classes of shares which do not constitute a separate and distinct fund each but all fall under the same fund. Investors should note that all liabilities of such fund will be borne by all other shareholders invested in the fund on a pro rata basis.

#### *Lack of Operating History*

A fund can be a recently formed entity and has no operating history upon which prospective investors can evaluate its likely performance.

#### *Limited Transferability*

Since shares are sometimes transferable only with the prior approval, a Compartment may not be able to sell or redeem its investments.

#### *Liquidity of fund shares*

There might be no secondary market for fund' shares and, consequently, a Compartment can dispose of such shares only by means of redemption. Lockup may be applicable and subject to high fees. Since there is no assurance that a fund will be able to liquidate the portfolio securities without losses, a Compartment may incur a loss upon redeeming such shares. In the event of unsettled market conditions, a Compartment may be unable to redeem such shares

#### *Redemption / Repurchase of Investor Shares*

Substantial redemption/repurchase of fund's shares could require such a fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the other investors. In these circumstances, a fund may defer redemptions/repurchases. Substantial redemptions/repurchases might cause the liquidation of a fund.

#### *Side Pockets*

In certain limited circumstances such as insufficient liquidity in the underlying funds, the directors of such a fund may establish "side pockets", consisting of a separate class of shares of the fund (the "Side Pocket") to which the directors may allocate or attribute particular investments (for example a side pocket class of shares held in an underlying fund, illiquid or difficult to value securities or securities which are subject to a lock-up or non-withdrawal provisions). The Side Pocket will only be created in exceptional circumstances and the fund will only allocate the least possible assets in the Side Pocket as circumstances may require.

In the event that the directors of a fund create a Side Pocket, any investment in such shares by an existing shareholder in the fund will be made by way of redemption of the existing shares and subscription for the Side-Pocket shares. Existing investors in such a fund will be allocated a pro rata holding in the new class of units representing the illiquid assets. Redemption of such Side-Pocket shares will only be affected upon realization of the investments allocated to the Side-Pocket shares. Such Side Pockets will also be subject to a different fee structure as agreed to with the service providers of the fund upon the creation of the Side Pocket.

The initial valuation of an asset on entering a Side Pocket can be, subject to the fund's directors' discretion, at cost, the latest available market price (as appropriate) or a lower value or nil, depending on all the circumstances of the case.

## **2.8 Specific Risks linked to Underlying Assets when invested in Underlying Funds & Unregulated Entities**

The Issuer may securitise Underlying Funds and Unregulated Entities for one or several of its Compartments. The Issuer will seek assurances that robust risk management procedures are in place in the Underlying Funds and Unregulated Entities, but no guarantees can be made as to the success of these procedures.

Unregulated Entities operate, by definition, outside of a regulated environment and therefore have less oversight than Underlying Funds. Additional risks therefore exist in investing in Unregulated Entities. These may include, but are not limited to, the following:

No requirement to appoint third party service providers such as an administrator, depositary and auditor;

No compulsory reporting of financial and no financial information to third parties;

No independent valuation procedure;

No independent members on the board of directors;

Potential conflicts of interest existing within the management of the entity;

Unregulated Entities are more likely to invest in assets and asset classes that are not available to regulated funds;

The investments held by Unregulated Entities may not be diversified to the same extent as in a regulated fund;

Unregulated Entities may not be subject to investment and borrowing restrictions

The Issuer will seek to minimise these risks in its due diligence process, but no assurance can be given that these factors can be mitigated.

#### *Periods of Investment Concentration*

The Issuer may have an unusually high concentration in certain types of positions. Such lack of diversification could result in greater losses than otherwise might be anticipated.

#### *Leverage Risk*

The Issuer does not intend to use explicit leverage in seeking to achieve a Compartment's target return. However it may do so by holding securities, funds and other instruments using margin and may therefore become implicitly leveraged through the use of margin.

The Underlying Funds and Unregulated Entities in which the Issuer may invest may use leverage in their investment strategy. Leverage increases the opportunity to achieve higher returns on the amount invested, but also increases the risk of loss. As a result of leverage a relatively small price movement may result in a substantial loss for investors.

Underlying Funds and Unregulated Entities may borrow funds from brokerage firms, banks and other financial institutions in order to increase the amount of capital available for investment. Consequently, the level of interest rates at which they can borrow will affect the operating results of the Underlying Fund, its subsidiaries and Unregulated Entities (where relevant). In addition, Unregulated Entities, an Underlying Fund and its subsidiaries may in effect borrow funds through entry into repurchase agreements and may "leverage" its investment return with such instruments as forwards, futures, options and other derivative contracts.

An Unregulated Entity or Underlying Funds' use of borrowing results in certain additional risks. For example, should the securities pledged to brokers to secure their margin accounts decline in value, the Underlying Fund and its subsidiaries, or the Unregulated Entity, could be subject to a "margin call" and shall need to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of their assets, the Underlying Fund and its subsidiaries, or the Unregulated Entity, might not be able to liquidate assets quickly enough to pay off its margin debt. In addition, leverage can increase the loss to investors. In the futures markets, margin deposits are typically low. Low margin deposits mean that a relatively small price movement in a futures contract may result in immediate and substantial losses.

The amount borrowed by the Issuer should be ancillary in comparison with the aggregate value of the securitisation transaction.

#### *Competition Risk*

The Issuer may invest in a variety of strategies all of which are subject to a high degree of competition, including from larger securities and investment banking firms which have substantially greater financial resources and research capabilities.

#### *Credit Risk*

The Issuer may invest directly and indirectly in an Unregulated Entity or Underlying Funds which invest in securities that are not rated or are rated in the lower rating categories by various credit rating agencies. These securities are subject to greater risk of loss of principal and interest than highly rated securities. Consequently, the Issuer may be exposed to the credit risk of counterparties who engage in such transactions.

#### *Fraud Risk*

Whilst the Issuer attempts to mitigate against the risk of fraud through due diligence, no assurance can be given that fraud will not occur either at the Unregulated Entity or Underlying Funds, in transactions invested in by such entities, or in transactions associated with Unregulated Entities.

#### *Legal Risk*

Certain Underlying Funds and Unregulated Entities may choose to make investments in certain smaller and emerging markets which are typically those of less developed countries. In doing so the Fund may indirectly incur political, legal and economic exposure to these jurisdictions. These risks may be mitigated through legal agreements and other documentation. However, no assurance can be given as to the robustness of the legal system in these jurisdictions and hence the protection given by this documentation.

#### *Liquidity Risk*

Liquidity risk refers either to the potential asset/liability mismatch in the funds in which our clients are invested or to the risk of one or several of the funds in the portfolio not honouring their redemption terms (or a combination of the two). It is often the prior risk that leads to the latter, so our due diligence usually focuses on mismatches between assets and liabilities in the manager's portfolio.

Additionally, at various times the markets for other securities may be "thin" or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The liquidity of the market may also be affected by a halt in trading on a particular futures or securities exchange or exchanges. Illiquid markets may make it difficult for the fund's underlying investments to get an order executed at a desired price. As the fund may invest in Underlying Funds where there is a long redemption or "lock-up" period, delays may occur in receiving redemption proceeds. All of the above could result in delays in the calculation of the Net Asset Value and/or payment of any redemption or repurchase proceeds. All funds are valued by the underlying administrator based on audited results.

#### *Options*

The Underlying Funds and some Unregulated Entities may purchase and sell ("write") options on securities and currencies on European and international derivatives and securities exchanges. The seller ("writer") of a put or call option which is uncovered (i.e. the writer has effectively a long or a short position in the underlying security or currency) assumes the risk (which theoretically may be unlimited) of a decrease or increase in the market price of the underlying security or currency below or above the sale or purchase price. Trading in options is a highly specialised activity and although it may increase total return it may also entail significantly greater than ordinary investment risk.

#### *Commodity Shocks*

Some of the investments that Underlying Funds and Unregulated Entities may make will exhibit a high level of sensitivity to the commodity prices. As some commodity markets have a degree of independence, a price shock in

one commodity may cause a shock in another, further exacerbating the impact to the Underlying Fund and Unregulated Entity.

#### *Joint Investments*

The Underlying Funds and Unregulated Entities in which the fund invests may enter into partnerships or joint ventures with other parties to make investments. Such investments may involve risks not present in direct fund investments, including, for example, the possibility that a co-investor might become bankrupt, or may at any time have economic or business interests or goals that are inconsistent with those of the fund, or that such co-investor may be in a position to take action contrary to the fund's objectives. In addition, the Underlying Fund and Unregulated Entity may be liable for actions of its co-investor.

## **2.9 Risks relating to the Security Trustee**

#### *Indemnity and remuneration*

In certain circumstances, the Noteholders may be dependent on the Security Trustee to take certain actions in respect of a Series of Notes, in particular if the security in respect of such Series (if any) becomes enforceable.

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

So long as any Note is outstanding, the Issuer shall pay the Agents and the Security Trustee remuneration for their services. Such remuneration may reduce the amount payable to Noteholders.

A Security Trustee shall only be appointed in relation to a secured Series of Notes. To the extent that a Series of Notes is unsecured, each Noteholder shall be solely responsible for the enforcement of its rights under the Transaction Documents and shall not be entitled to request any Agent to take action on its behalf.

#### *Priority of claim*

During the term of the Notes and on an enforcement of the security granted by the Issuer in favour of the Security Trustee (if any), the rights of the Noteholders to be paid amounts due under the Notes shall be subordinated to the fees, costs, charges, expenses and liabilities due and payable to the Security Trustee and the Agents including costs incurred in the enforcement of the security and the Security Trustee's remuneration and the remuneration of the Agents.

## **2.10 Risks relating to other parties**

#### *Risks relating to the Paying Agent*

Any payments and/or deliveries made to Noteholders in accordance with the Conditions will be made by the Paying Agent on behalf of the Issuer. Pursuant to the agency agreement in respect of the Notes by and between the Issuer and the Paying Agent (the "**Agency Agreement**"), the Issuer is to transfer to the Paying Agent such amount as may be due under the Notes, on or before each date on which such payment and/or deliveries in respect of the Notes becomes due.

If the Paying Agent, while holding funds for payment to Noteholders in respect of the Notes, is declared insolvent, the Noteholders may not receive all (or any part) of any amounts due to them in respect of the Notes from the Paying Agent. The Issuer will still be liable to Noteholders in respect of such unpaid amounts but the Issuer will

have insufficient assets to make such payments (or any part thereof) and Noteholders may not receive all, or any part, of any amounts due to them. Consequently, the Noteholders are relying not only on the creditworthiness of the Issuer, but also on the creditworthiness of the Paying Agent in respect of the performance of its obligations under the Agency Agreement to make or facilitate payments to Noteholders.

#### *Risks relating to the Calculation Agent*

The Calculation Agent (if any) shall have no obligations to the Noteholders, and shall only have the obligations expressed to be binding on it pursuant to its appointment terms. All designations and calculations made by the Calculation Agent in respect of any Notes shall be conclusive and binding on the Noteholders.

If by any reason the Calculation Agent's appointment is terminated and the Issuer will be required to appoint a replacement institution to take its place, such replacement may delay certain determinations and related payments and/or deliveries on the Notes and there is no guarantee that any replacement will be found. Any delay or failure to appoint such a replacement may have adverse consequences for the Noteholders.

#### *Application of negative interest rates*

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. To the extent that such negative interest rates were to apply, the amount of cash collateral held by or on behalf of the Issuer would be reduced.

#### *Custodian*

Underlying Assets in the form of cash or transferable securities may be held in an account of the Custodian in the name of the Issuer. Where the Underlying Assets consist of assets other than cash or transferable securities, they may be held in the name of the Issuer or under the control of the Custodian (to the extent appointed in respect of a Series of Notes) or in such other manner as is approved by the Security Trustee (acting on instructions pursuant to the Security Agreement). The ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes. Consequently, the Noteholders are relying on the ability of the Custodian to perform its obligations under the Custody Agreement.

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, such cash will not be held as client money and will represent only an unsecured claim against the Custodian's assets.

#### *Risks relating to the Index Provider*

The Index Provider (if any) shall have no obligations to the Noteholders, and shall only have the obligations expressed to be binding on it pursuant to its appointment terms vis-à-vis the Compartment for which it has been appointed. All transmission of the Index, its allocation and the implementation of the allocation made by the Issuer in respect of any Notes shall be conclusive and binding on the Noteholders.

If by any reason the Index Provider's appointment is terminated and the Issuer will be required to appoint a replacement institution to take its place, such replacement may delay certain determinations and related payments and/or deliveries on the Notes and there is no guarantee that any replacement will be found. Any delay or failure to appoint such a replacement may have adverse consequences for the Noteholders.

#### *Credit Risk*

Under the Custody Agreement the Issuer authorises the Custodian (to the extent appointed in respect of a Series of Notes) to hold certain Underlying Assets 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 Underlying Assets. Where the Underlying Assets are held with a sub-custodian,



the Custodian will only be liable for losses of such sub-custodian where the Custodian failed to exercise due care and skill in the appointment of such sub-custodian. Where the Underlying Assets are 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 Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes (if the Underlying Assets are so held) and, in turn, the Custodian (and any applicable sub-custodian) will be dependent (in whole or in part) upon receipt of payments from such securities depository or clearing system. Consequently, the Noteholders are relying not only on the creditworthiness of the Underlying Assets and the Custodian in respect of the performance of its obligations under the Custody Agreement for such Notes (and any obligations of any sub-custodian under or pursuant to the Custody Agreement or otherwise), but also on the creditworthiness of any securities depository or clearing system holding the Underlying Assets deposited by the Custodian or any sub-custodian.

### *Lien*

Pursuant to their terms of engagement, sub-custodians, security depositaries or clearing systems may have liens or rights of set-off with respect to the Underlying Assets held with them in relation to any of their fees and/or expenses. If, for whatever reason, the Custodian fails to pay such fees and/or expenses, the relevant sub-custodian, security depository or clearing system may exercise such lien or right of set-off, which may result in the Issuer failing to receive any payments due to it in respect of the Underlying Assets, and thereby adversely affecting the ability of the Issuer to meet its obligations with respect to the Notes. Therefore, the ability of the Issuer to meet its obligations with respect to the Notes will not only be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes (if the Underlying Assets are so held) but will also be dependent on any sub-custodian, security depository or clearing system not exercising any lien or right of set-off in respect of any Underlying Assets that it holds. Consequently, the Noteholders are relying not only on the creditworthiness of the Underlying Assets, but also on the creditworthiness of the Custodian in paying when due any fees or expenses of such sub-custodian, security depositaries or clearing systems (or the ability of the Issuer to pay such amounts due to the Custodian and/or the sub-custodians, security depository or clearing system).

### *Calculation Agent calculations and determinations*

The Calculation Agent (to the extent appointed in respect of a Series of Notes) shall act in good faith and a commercially reasonable manner when making any determinations or calculations under the Conditions in relation to the Notes. Any determinations made by the Calculation Agent in relation to the Notes shall (in the absence of manifest error) be binding, final and conclusive. In making calculations and determinations with regard to the Notes, there may be a difference of interest between the investors and the Calculation Agent. The Calculation Agent is required to act in good faith and in a commercially reasonable manner but does not have any obligations of agency or trust for any investors and has no fiduciary obligations towards them. In particular the Calculation Agent and its affiliated entities may have interests in other capacities (such as other business relationships and activities).

## **2.11 Risks relating to the market**

### *General*

In the past years, the global economy has experienced high levels of instability and financial crisis, which has led to a general tightening of available credit and liquidity in the global financial markets, lowering of credit rates, etc.

No assurance can be given that any recovery will be sustained or that certain economies will not encounter a long-lasting recession, accumulate excessive public debt or enter into credit defaults, further aggravating the global crisis.

The above factors have also led to substantial volatility in markets across asset classes, including (without limitation) stock markets, foreign exchange markets, fixed income markets and credit markets.

Prospective investors should ensure that they have sufficient knowledge and awareness of the global financial crisis and the response thereto and of the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Notes. In particular, prospective investors should take into account the considerable uncertainty as to how the global financial crisis and the wider economic situation will develop over time.

Any person who had held securities during the periods considered above, particularly structured securities, would be highly likely to have suffered significant adverse effects as a result of such holding, including, but not limited to, major reductions in the value of those securities and a lack of liquidity. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in the Notes.

#### *Change of law*

The terms and conditions of the Notes (including any non-contractual obligations arising therefrom or connected therewith) are based on relevant laws in effect as at the date of this Private Placement Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to such laws, or the official application or interpretation of such laws or administrative practices after the date of this Private Placement Memorandum.

#### *Regulatory risk*

The global financial crisis led to an increased regulation of financial activities. The United States of America, the European Union and other jurisdictions have implemented, and are still in the process of implementing, various reform measures. Such regulatory changes and the method of their implementation may have a significant effect on the operation of financial markets. In many cases, it is uncertain how such regulatory reform would affect the Issuer, the treatment of instruments such as the Notes or the activities of other parties that have roles with respect to the Notes, such as (if and where relevant) any swap counterparty, the Paying Agent and the Security Trustee. In addition, governments have shown an increased willingness, wholly or partially to nationalise financial institutions, corporates and other entities in order to support the economy. Such nationalization may impact adversely on the value of the equity or the obligations of any such entity. In addition, in order to effect such nationalization, existing obligations or equity might have their terms mandatorily amended or be forcibly redeemed. To the extent that any relevant person or entity connected with the Notes is subject to nationalization or other government intervention, it may have an adverse effect on a holder of a Note.

#### *Currency risk*

An investment in Notes denominated or payable in a currency other than the currency of the jurisdiction of a particular Noteholder, entails significant risks that are not associated with a similar investment in Notes denominated and/or payable in the noteholder's currency. These risks include, but are not limited to:

- (a) the possibility of significant market changes in rates of exchange between the Noteholder's currency and the currency in which the Notes are denominated and/or payable;
- (b) the possibility of significant changes in rates of exchange between the Noteholder's currency and the currency in which the Notes are denominated and/or payable resulting from the official redenomination or revaluation of the currency; and
- (c) the possibility of the imposition or modification of foreign exchange controls by either the jurisdiction of the purchaser or foreign governments.

Where appropriate, the Issuer will seek to procure foreign currency hedging agreements in order to mitigate Foreign Exchange rate risk for the Noteholders.

#### *Investor suitability*

Prospective investors who consider purchasing the Notes should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances. Investment in the Notes may only be suitable for investors who:

- (a) have substantial knowledge and experience in financial, business matters and expertise in assessing credit risk which enable them to evaluate the merits and risks of an investment in the Notes and the rights attaching to the Notes;
- (b) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time;
- (c) are acquiring the Notes for their own account (as principal and not as agent) for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (d) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

#### *Independent review and advice*

Each prospective purchaser of the Notes must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer, any swap counterparty and any relevant obligor in respect of the Underlying Assets and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice)) as it deems appropriate under the circumstances, to assess the economic, social and political condition of the jurisdiction in which each relevant obligor is located and determine whether an investment in the Notes is appropriate in its particular circumstances.

In so doing, and without limiting the generality of the preceding paragraph, such prospective purchaser must determine that its acquisition and holding of the Notes (a) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (b) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether it is acquiring the Notes as principal or in a fiduciary capacity), and (c) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. None of the Issuer, the Paying Agent, the Security Trustee or any of their respective affiliates is acting as an investment adviser, or assumes any fiduciary obligation, to any purchaser of Notes (other than the Security Trustee as collateral taker under any applicable security agreement securing the obligations owed by a Compartment to the Noteholders of such Compartment).

Neither this Private Placement Memorandum nor any Final Terms are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or as constituting an invitation or offer that any recipient of this Private Placement Memorandum or any Final Terms should purchase any of the Notes. The Paying Agent and the Security Trustee expressly do not undertake to review the financial condition, creditworthiness or affairs of any relevant obligor(s).

#### *Limited liquidity of the Notes*

Although application may be made to admit the Notes to trading on a stock exchange, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes. Consequently, any investor in the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes.

There may be less liquidity in any secondary market for the Notes if the Notes are exclusively offered to the public and not to institutional investors. In addition, any secondary market price for the Notes may not reflect any embedded fees and/or other additional costs or inducements included in the price paid for the Notes by initial investors.

### *Listing may be discontinued*

The Issuer may discontinue any listing of the Notes and listed Notes may be listed on another stock exchange or exchanges (which may or may not be EEA regulated markets and may or may not be in Western Europe). This could have adverse consequences for the Noteholders.

### *Impact on credit*

The events outlined above have negatively affected the creditworthiness of a number of entities or governments, in some cases to the extent of collapse or requiring rescue from governments or international or supra-national bodies. Such credit deterioration has and may continue to be widespread. The value of the Notes or of the amount of payments and/or deliveries on them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have in some cases been *de minimis* and that similarly low recovery levels may be experienced with respect to other entities or governments in the future, which may have adverse consequences for the Noteholders. Prospective investors should also consider the impact of a default by the Paying Agent and/or the Security Trustee, and possible delays and costs in being able to access property held with a failed custodian, sub-custodian, security depository or clearing system.

### *Risks associated with the reform of SOFR, EURIBOR and other interest rate 'benchmarks'*

The Secured Overnight Financing Rate (SOFR), the Euro Interbank Offered Rate (EURIBOR) and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a "Benchmark" and together, the "Benchmarks") have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a Benchmark.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "Benchmark Regulation").

The Benchmark Regulation could have a material impact on Notes linked to a Benchmark, including in any of the following circumstances:

- a rate or index which is a Benchmark may only be used if its administrator obtains authorisation or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Article 30 Benchmark Regulation), the administrator is recognised (Article 32 Benchmark Regulation) or the Benchmark is endorsed (Article 33 Benchmark Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benchmarks could be impacted; and
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could impact the Notes, including Calculation Agent determination of the rate.

In addition to the aforementioned Benchmark Regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

Although it is uncertain whether or to what extent any of the above mentioned changes and/or any further changes in the administration or method of determining a Benchmark could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be, and/or could have an effect on the value of any Notes whose interest or principal return is linked to the relevant Benchmark, investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Notes whose rate of interest or principal return is linked to a Benchmark (including, but not limited to, Floating Rate Notes). Benchmarks could also be discontinued entirely. For example, on 27 July 2017, the United Kingdom Financial Conduct Authority ("FCA") announced that it will no longer persuade or compel banks to submit rates for the calculation of the SOFR benchmark after 2021.

The FCA announcement indicates that the continuation of SOFR on the current basis cannot and will not be guaranteed after 2021.

On 5 March 2021, the FCA announced that (i) the publication of 24 SOFR settings (as detailed in the FCA announcement) will cease immediately after 31 December 2021, (ii) the publication of the overnight and 12 month U.S. dollar SOFR settings will cease immediately after 30 June 2023, (iii) immediately after 31 December 2021, the 1-month, 3-month and 6-month sterling SOFR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consult on requiring the ICE Benchmark Administration Limited ("IBA") to continue to publish these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end 2021) and (iv) immediately after 30 June 2023, the 1-month, 3-month and 6-month U.S. dollar SOFR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consider the case for using its proposed powers to require IBA to continue publishing these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end June 2023).

If a Benchmark were to be discontinued or otherwise unavailable, the rate of interest for Floating Rate Notes which are linked to such Benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes, which in the end could lead, inter alia, to a previously available rate of the Benchmark being applied until maturity of the Floating Rate Notes, effectively turning the floating rate of interest into a fixed rate of interest, or, to determination of the applicable interest rate on the basis of another benchmark determined by the Issuer in its discretion or to an early termination of the relevant Notes at the option of the Issuer.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Although it is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of any Notes linked to the relevant Benchmark, investors should be aware that any changes to a relevant Benchmark may have a material adverse effect on the value or liquidity of, and the amounts payable on, Floating Rate Notes whose rate of interest is linked to such Benchmark.

#### *Risks associated with new reference rates such as SONIA, SOFR and €STR*

Interest rates of Floating Rate Notes may be linked to SONIA, SOFR and €STR. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions. Investors should be aware that the market continues to develop in relation to the SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling SOFR. The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Private Placement Memorandum and Final Terms. It may be difficult for investors in Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes. Further, if the Notes become due and payable, the rate of interest payable shall be determined on the date the Notes became due and payable. Investors should consider these matters when making their investment decision with respect to any such Notes.

On 22 June 2017, the Alternative Reference Rates Committee ("ARRC") convened by the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York identified the SOFR as the rate that represented best practice for use in certain new U.S. dollar derivatives and other financial contracts. The Federal Reserve Bank of New York notes that use of the SOFR is subject to important limitations and disclaimers. SOFR is published based on data received from other sources. There can be no guarantee that the SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the respective Notes. If the manner in which the SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on the Notes and the trading prices of the Notes. SOFR has been published by the Federal Reserve Bank of New York since April 2018. Investors should not rely on any historical changes or trends in the SOFR as an indicator of future changes in the SOFR. Also, since the SOFR is a relatively new market index, the Notes will likely have no established trading market when issued. Trading prices of the Notes may be lower than those of later-issued indexed debt securities as a result. Similarly, if the SOFR does not prove to be widely used in securities like the Notes, the trading price of the Notes may be lower than those of debt securities linked to indices that are more widely used. Investors in the Notes may not be able to sell the Notes at all or may not be able to sell the Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Investors should consider these matters when making their investment decision with respect to any such Notes.

In light of these developments and similar to the approaches in the United States and the United Kingdom, the Governing Council of the European Central Bank ("ECB") has decided to develop a euro short-term rate ("€STR") based on data already available to the Eurosystem. €STR reflects the wholesale euro unsecured overnight borrowing costs of euro area banks, complements existing benchmark rates provided by the private sector and is published on each TARGET2 banking day since 2 October 2019. Given that it cannot be excluded that further changes will be implemented and, in particular, that there is no historical data or trends that investors could rely on and that the transition from existing reference rates to €STR could result in further uncertainties and limitations, investors in the Notes should consider all these factors when making their investment decision with respect to any such Notes."

## **2.12 Specific risks linked to the digital currency industry and the digital currency markets.**

*Counterparties in which the Issuer may invest may be directly exposed to the digital currency industry and the digital currency markets, such as Bitcoin market*

The Issuer may make investments in counterparties which operate in the digital currency markets and as such are directly exposed to the digital currency industry and the digital currency markets, such as the Bitcoin market. Events or circumstances which have an adverse impact on the digital currency industry and/or the digital currency markets may have an adverse impact on such counterparties, their ability to repay any investments made by the Issuer, the yield the Issuer is able to generate on its investments, and/or the Issuer's ability to redeem the Underlying Assets, and/or the value or realizability of any collateral provided by such counterparties to the Issuer. Digital assets such as bitcoin are relatively new, and the value of such assets is influenced by a wide variety of factors that are uncertain and difficult to evaluate, such as the infancy of their development, their dependence on technologies such as cryptographic protocols, their dependence on the role played by miners and developers and the potential for malicious activity. Any such events or circumstances may also have an adverse impact on the value of the Underlying Assets, the value of the Notes and the ability of the holders of Notes to redeem their investment.

For example, the following are some of the risks that could materially adversely affect the value of the investments made by the Issuer, the yield which the Issuer is able to achieve on its investments and the value of the Notes as a result.

The trading prices of many digital assets have experienced extreme volatility in recent periods and may continue to do so. For instance, there were steep increases in the value of certain digital assets, including bitcoin, over the course of 2017, and multiple market observers asserted that digital assets were experiencing a "bubble." These increases were followed by steep drawdowns throughout 2018 in digital asset trading prices, including for bitcoin. Following the drawdowns, bitcoin prices increased during 2019, then decreased significantly again in early 2020 before increasing significantly during late 2020 and early 2021, before falling back again in the second quarter of

2021. There can be no assurance that any increases will continue in the future, or that they will not be offset by declines. The bitcoin markets may still be experiencing a bubble or may experience a bubble again in the future. Extreme volatility in the future, including further declines in the trading prices of bitcoin, could have a material adverse effect on the value of the Underlying Assets, the Notes and the Notes could lose all or substantially all of their value.

Digital asset networks and the software used to operate them are in the early stages of development. Digital assets have experienced, and the Sponsor expects will experience in the future, sharp fluctuations in value. Given the infancy of the development of digital asset networks, parties may be unwilling to transact in digital assets, which would dampen the growth, if any, of digital asset networks.

Digital asset networks are dependent upon the internet. A disruption of the internet or a digital asset network would affect the ability to transfer digital assets and, consequently, adversely affect their value.

The acceptance of software patches or upgrades by a significant, but not overwhelming, percentage of the users and miners in a digital asset network, could result in a “fork” in such network’s blockchain, resulting in the creation of multiple separate networks, which could compete with one another for users, miners, and developers.

Governance of many digital asset networks is by voluntary consensus and open competition. As a result, there may be a lack of consensus or clarity on the governance of a network, which may stymie the network’s utility and ability to grow and solve challenges. In particular, it may be difficult to find solutions or marshal sufficient effort to overcome current or future problems on such network.

The open-source structure of many digital asset network protocols means that developers and other contributors are generally not directly compensated for their contributions in maintaining and developing such protocols. As a result, the developers and other contributors of a particular digital asset may lack a financial incentive to maintain or develop the network, or may lack the resources to adequately address emerging issues. Alternatively, some developers may be funded by companies whose interests are at odds with other participants in a particular digital asset network. A failure to properly monitor and upgrade the software protocol of a network could damage the network, and adversely affect the value of that digital currency.

The loss or destruction of a private key required to access a digital asset may be irreversible. If a private key is lost, destroyed or otherwise compromised, including by the Issuer or a counterparty in which the Issuer has invested, the Issuer or the counterparty will be unable to access the digital currency corresponding to that private key, resulting in loss and a reduction in value of the Notes.

Miners, developers and users may switch to or adopt certain digital asset networks at the expense of their engagement with other digital asset networks, which may negatively impact those networks.

Over the past several years, digital asset mining operations have become more costly as they have evolved from individual users mining with computer processors, graphics processing units and first generation application specific integrated circuit machines to “professionalized” mining operations using specialized hardware or sophisticated machines. If the profit margins of digital asset mining operations are not sufficiently high, digital asset miners are more likely to immediately sell tokens earned by mining, resulting in an increase in liquid supply of that digital asset, which would generally tend to reduce that digital asset’s market price.

To the extent that any miners cease to record transactions that do not include the payment of a transaction fee in solved blocks or do not record a transaction because the transaction fee is too low, such transactions will not be recorded on the blockchain until a block is solved by a miner who does not require the payment of transaction fees or is willing to accept a lower fee. Any widespread delays in the recording of transactions could result in a loss of confidence in the relevant digital asset network.

In the past, flaws in the source code for digital asset networks have been exposed and exploited, including flaws that disabled some functionality for users, exposed users’ personal information and/or resulted in the theft of users’

digital assets. The cryptography underlying a digital asset could prove to be flawed or ineffective, or developments in mathematics and/or technology, such as advances in quantum computing, could result in such cryptography becoming ineffective, enabling a malicious actor to take the Issuer's digital assets, which would adversely affect the value of the Notes. Even if another digital asset other than bitcoin were affected by similar circumstances, any reduction in confidence in the robustness of the source code or cryptography underlying digital assets generally could negatively affect the demand for all digital assets, including bitcoin, and therefore adversely affect the value of the Notes.

Banks and other established financial institutions may refuse to process funds for digital currency transactions; process wire transfers to or from digital currency exchanges, digital currency-related companies or service providers; or maintain accounts for persons or entities transacting in digital currencies. This could dampen liquidity in the market and damage the public perception of digital assets generally or any one digital asset in particular, such as bitcoin, and their or its utility as a payment system, which could decrease the price of digital assets generally or individually.

Moreover, because digital assets, including bitcoin, have been in existence for a short period of time and are continuing to develop, there may be additional risks in the future that are impossible to predict or evaluate as of the date of this registration statement.

#### *The Issuer may invest in Decentralised Finance Protocols*

The Issuer may invest in Decentralised Finance ("DeFi") Protocols, such as Uniswap or Aave, as a means of generating yield. DeFi protocols allow for value to be transferred without the use of centralized agencies. Protocol users continue to retain custody and control over their funds. The source code of DeFi protocols is open-source. This allows everyone to view and verify the code that powers these protocols. DeFi protocols are built on decentralized blockchains like Ethereum which are not controlled by any central authority. These are run by distributed nodes. Further, Decentralized Applications (DApps) are not governed by any single entity. The decisions about these DApps are taken by the community, allowing them to participate in the governance mechanism of these applications. While the leading DeFi protocols have seen substantial growth with high levels of collateral, very low levels of default and yields materially higher than those available in conventional finance, DeFi also carries risks, which, if they materialize, would potentially result in an adverse impact on the value of the Underlying Assets, the value of the Notes and the ability of the holders of Notes to redeem their investment.

These risks include:

#### Price Volatility leading to a forced liquidation cascade

DeFi lending and borrowing protocols typically require a user who wants to borrow funds to first deposit digital assets (for example, Bitcoin or Ethereum) as collateral. The DeFi protocol then allows the user to borrow stable coins (for example, Tether or Circle USD) against this collateral. The Loan to Value Ratio (LTV) is generally 50 to 60%, but can be higher. In periods of extreme volatility, where the value of collateral drops significantly if the price of the digital asset deposited drops. As a result, if the collateral value drops below the LTV ratio, then the smart contract will automatically liquidate the collateral deposited by the borrower. This is known as forced liquidation and it can lead to a cascading effect, whereby more forced liquidations will result in more selling pressure on the price of digital assets deposited, which in turn will cause the price of the collateral to fall further. This would result in a potentially material reduction in value of collateral, the value of the Underlying Assets and the value of the Notes.

#### Hacks and Exploits

All DeFi projects rely on smart contracts that are written on a platform such as Ethereum. There have been numerous cases of malicious actors exploiting the vulnerabilities in the smart contracts, to drain the users out of their assets locked in the smart contract protocols. In the spirit of transparency, the codes of most DeFi projects are open source and available to the public (and thereby hackers) for inspection. While the Issuer will only invest funds in robust, independently audited, protocols, any such occurrence in relation to a protocol in which the Issuer has invested



would result in a potentially material reduction in value of collateral, the value of the Underlying Assets and the value of the Notes.

#### Loss of Private Keys

The loss or destruction of a private key required to access a digital asset may be irreversible. If a private key is lost, destroyed or otherwise compromised, including by the Issuer or a counterparty in which the Issuer has invested, the Issuer or the counterparty will be unable to access the digital currency corresponding to that private key, resulting in loss and a reduction in value of the Notes.

#### Increased Regulation of the DeFi Industry

Government and quasi-government regulation of digital currencies, their use, and intermediaries and other businesses involved in digital currencies, noting in particular that the SEC has taken action against several cryptocurrency operators and has raised questions whether certain digital currency exchanges must be registered with the SEC to continue operating. FATF has recently suggested that DeFi protocols such as Uniswap and AAVE should be regarded as virtual currency exchanges, and be subject to AML regulation, which many commentators feel would be challenging to implement and adverse to the industry's growth.

#### High Gas price due to lack of scalability

Most of the DeFi protocols currently are built on Ethereum. This has resulted in clogging of the Ethereum network, thereby resulting in slower processing of transactions and an increase in gas price. While several Layer 2 solutions are being built on top of Ethereum to solve this problem, it is going to be a while before they get ready to process transactions at scale. Without solving this problem of scalability, DeFi cannot achieve mass adoption and disrupt centralized finance. The current transaction fees (gas price) on the Ethereum network has resulted in most people not being able to access DeFi applications, representing an impediment to their growth.

### **2.13 Securitisation and AIFM**

The EU Directive 2011/61/EU on Alternative Investment Fund Managers (the "AIFMD"), which became effective on 22 July 2013, provides, amongst other things, that all alternative investment funds (each, an AIF) must have a designated alternative investment fund manager (an "AIFM") with the responsibility for portfolio and risk management. The AIFMD was implemented into Luxembourg law by virtue of the Law of 12 July 2013 on alternative investment fund managers (the "AIFM Law"). The application of the AIFMD to securitisation vehicles such as the Issuer is unclear. The Issuer does not operate in the same manner as a typical alternative investment fund. The Issuer has been established solely for the purpose of entering into, performing and serving as a vehicle for any securitisation transactions as permitted under the Securitisation Law. However, the definitions of AIF and AIFM in the AIFMD are broad in scope and is only limited guidance as to how such definitions should be applied in the context of a securitisation vehicle such as the Issuer.

On 23 October 2013, the Commission de Surveillance du Secteur Financier of Luxembourg (the "CSSF") issued an update to its Frequently Asked Questions on securitisation vehicles (the "FAQs"). The update addresses the consequences of the implementation of the AIFMD into Luxembourg law on securitisation vehicles governed by the Securitisation Law. The AIFM Law provides for an exemption in relation to "securitization special purpose entities" within the meaning of Regulation (EC) no24/2009 of the European Central Bank of 19 December 2008 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (repealed by Regulation (EU) No 1075/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions) (the "ECB Regulation") and the guidance note relating thereto. Thus, an undertaking falling within the definition of "securitisation special purpose entities (structures de titrisation ad-hoc) of the AIFM Law, meaning an entity whose sole object is to carry out one or more securitisation transactions within the meaning of ECB Regulation, will not constitute an AIF under the AIFM Law.

The Securitisation Law defines “securitisation” in broader terms than the ECB Regulation. Hence, certain transactions may qualify as securitisation transactions under the Securitisation Law but not under the ECB Regulation. As a consequence, the undertaking carrying out such a transaction may fall within the scope of the Securitisation Law but will fail to qualify as a “securitisation special purpose entity” under the AIFM Law and will not benefit from the exemption.

The CSSF’s updated FAQs emphasizes that each securitisation undertaking is required to carry out a self-assessment to determine whether it constitutes an AIF by reference to the criteria set out in the AIFM Law or whether it benefits from the exemption provided for by the AIFM Law in relation to “securitisation special purpose entities” as construed by the ECB Regulation.

The CSSF considers that the following undertakings, which may qualify as securitisation undertakings under the Securitisation Law, do not, according to the ECB Regulation, constitute “securitisation special purpose entities” under the AIFM Law. They may, insofar as they meet the AIF criteria, constitute AIFs under the AIFM Law:

- securitisation undertakings acting primarily as first lenders (i.e. undertakings that originate new loans) since there is no transfer of assets (and therefore no transfer of credit risk) by such entities;
- securitisation undertakings set up primarily to create or otherwise offer synthetic exposure to non-credit related assets, i.e., where the transfer of credit risk is only accessory to the principal activity of the entity.

The CSSF further considers that securitisation undertakings that issue debt instruments only do not constitute AIFs.

Finally, securitisation undertakings that are not managed in accordance with a defined investment policy do not constitute AIFs. This would be the case for securitisation undertakings that issue structured products offering synthetic exposure to assets based on a pre-established formula or Index and that acquire Underlying Assets and/or enter into derivative contracts for hedging purposes.

The positions expressed by the CSSF in the FAQs are subject to any future changes and clarifications at European level.

If the Issuer is found to be an AIF or an AIFM, or any agent acting in respect of the Compartment(s) is 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 the AIFM could comply fully with the requirements of the AIFMD. In such circumstance, the Issuer would be likely need to adapt its structure or be required to appoint a depository bank and an AIFM.

No assurance can be given as to how the European Securities and Markets Authority or national regulators might, in the future, interpret the AIFMD or whether any such interpretation might find the Issuer to be an AIF or an AIFM, or find any agent appointed in connection with the Notes or the Compartment(s) to be acting as an AIFM with respect to the Issuer.

### **3 DOCUMENTS AND REFERENCES**

This Private Placement Memorandum should be read and construed in accordance with the articles of association of the Issuer set out in its deed of incorporation and in conjunction with each relevant Final Terms and all amendments and supplements from time to time to this Private Placement Memorandum, which shall be deemed to be incorporated in, and to form part of this Private Placement Memorandum and which shall be deemed to modify or supersede the contents of this Private Placement Memorandum to the extent that a statement contained in any such document is inconsistent with such contents.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Private Placement Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Private Placement Memorandum.

As the Issuer is a newly incorporated Company, it has not prepared financial statements yet but undertakes to communicate and publish them as soon as available. The Issuer has not indebtedness at the time of the drafting of this Private Placement Memorandum.

For the avoidance of doubt, the content of the Website included in this Private Placement Memorandum are for information purposes only and does not form part of this Private Placement Memorandum.

## 4 TERMS AND CONDITIONS OF THE NOTES

These (other than the sections herein which are set out in italics) are the terms and conditions ("**Conditions**") of the notes to be issued from time to time ("**Notes**") by "MRB SECURITIES" a Securitisation Fund availing itself of separate compartments (each, a "**Compartment**"), managed and represented by its Management Company named MRB MANAGEMENT Sàrl, a Luxembourg limited liability company organised as a securitisation management company within the meaning of the Law relating to securitisations of 22<sup>nd</sup> of March 2004, as amended (the "**Securitisation Law**"), acting for and on behalf of each of the Compartment of the Securitisation Fund (the "**Issuer**"). Definitions contained in this italicised paragraph shall be incorporated into the Conditions.

The Notes will be identified as forming different series (each, a "**Series**"), each of which will comprise Notes bearing interest (if any) on the same basis and at the same rate and on identical terms and which are issued by the Issuer on the same date (save for Notes that are consolidated and form a single Series with Notes of a later date).

Each Series will be issued at the charge of a separate Compartment of the Issuer (that is, by the Issuer acting in respect of and on account of such Compartment) and these Conditions apply separately to each such Series of Notes. References in these Conditions to "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Issuer's MRB SECURITIES Note Programme (the "**Programme**").

The Notes of any single Series are constituted by and are initially subscribed for pursuant to a set of issuance documents (i) setting out the final terms and conditions (which may amend or supplement these Conditions) of such Series (the "**Final Terms**"); (ii) constituting the Security (if any) for the Series of Notes; (iii) appointing any Calculation Agent relevant to such Series of Notes; and (iv) to the extent agreed, amending or supplementing the Custody Agreement, Security Agreement or Agency Agreement in respect of such Series of Notes (each as defined below), by and between (among others) the Issuer and the relevant Agent. These Conditions apply in relation to the Notes of any Series as completed, modified and amended by the provisions of the applicable Final Terms (and each reference herein to a specific provision is to such provision as so completed, modified or amended).

These Conditions apply to Notes in Eurosystem-eligible new global note form as completed, modified and amended by the provisions of the Final Terms and by the provisions of the relevant Global Note (as defined below).

The Issuer and (if appointed) the paying and / or settlement agent (the "**Paying Agent**") will enter into an agency agreement in respect of the Programme (the "**Agency Agreement**") which may be amended, modified or supplemented from time to time in respect of an individual series of Notes and which shall constitute a separate agency agreement in respect of each Series of Notes issued under the Programme.

The Issuer and (if appointed) the custodian (the "**Custodian**") will enter into a custody agreement in respect of the Programme (the "**Custody Agreement**") which may be amended, modified or supplemented from time to time in respect of an individual secured series of Notes and which shall constitute a separate custody agreement in respect of an individual secured Series of Notes to the extent the Issuer deems it necessary to appoint a Custodian in respect of such Series. A Custody Agreement will only apply to a secured Series of Notes. The Issuer may, in its discretion, choose to appoint a different entity as custodian on a secured Series of Notes and, where it does so, shall enter into custody appointment terms with such custodian (and such appointment terms shall be deemed to be a Custody Agreement for the purposes of these Conditions).

The Issuer may, to the extent it deems it necessary to do so, enter into a calculation agency agreement (the "**Central Administration Service Agency Agreement**") with a calculation agent (a "**Calculation Agent**") in respect of an individual Series of Notes.

The Issuer and (if appointed) the security trustee (the "**Security Trustee**") will enter into a security agreement in respect of the Programme (the "**Security Agreement**") which may be amended, modified or supplemented from time to time in respect of an individual secured series of Notes and which shall constitute a separate security agreement in respect of each secured Series of Notes issued under the Programme. The Security Agreement will

only apply to a secured Series of Notes. The Issuer may, in its discretion, choose to appoint a different entity as security trustee on a secured Series of Notes and, where it does so, shall enter into security trustee appointment terms with such security trustee (and such appointment terms shall be deemed to be a Security Agreement for the purposes of these Conditions).

Copies of the Private Placement Memorandum, the respective Final Terms and the documents incorporated by reference herein and therein, including the provisions of the Agency Agreement, the Custody Agreement, any Centrale Administration Service Agreement and the respective Security Agreement, are available for inspection of the Website ([www.fundnav.lu](http://www.fundnav.lu)) or during normal office hours at the registered office of the Issuer in Luxembourg and (by prior appointment by a Noteholder) at the office of the Paying Agent. The holders of the Notes are deemed to have notice of, and shall be bound by, all of the provisions of the aforementioned relevant documents and any other documents entered into in connection with the Notes as well as the articles of association of the Issuer, in each case as amended and restated from time to time.

## 1 Definitions and interpretation

### 1.1 In these Conditions:

**"Agents"** means the Paying Agent and any Custodian and/or Calculation Agent appointed in respect of a Series of Notes;

**"Business Day"** means in the case of euro, a day on which the TARGET System is open for the settlement of payments in euro and, in the case of a currency other than euro, a day other than a Saturday or Sunday on which banks and foreign exchange markets settle payments in the principal financial centre for such currency;

**"Commercial Companies Law 1915"** means the Law concerning commercial companies of 10 August 1915 (*Loi du 10 août 1915 concernant les sociétés commerciales*), as amended;

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the "Calculation Period"):

(i) if "Actual/Actual (ICMA)" is specified hereon:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Interest Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Determination Dates that would occur in one calendar year; and

(ii) if "Actual/365" or "Actual/Actual (ISDA)" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum

of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iv) if "Actual/365 (Sterling)" is specified hereon, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(v) if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(vi) if "30/360" "360/360" or "Bond Basis" is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(vii) if "30E/360" is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless the last day of that Calculation Period is the Maturity Date and falls on the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**"Underlying Assets"** means the Issuer's rights, titles and/or interests in and to the assets purchased or otherwise acquired by a Compartment of the Issuer with the net proceeds from the issue of a given Series of Notes together with all other assets of such Compartment, including without limitation all payments received by the relevant Compartment from time to time in respect of such assets;

**"Equivalent Obligations"** means any Obligations that are issued in fungible form and that share common terms and conditions;

**"Event of Default"** means each of the following events or circumstances:

- (a) the Issuer does not pay on the due date any amount payable pursuant to these Conditions and the applicable Transaction Documents at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within ten Business Days of its due date;
- (b) the Issuer does not comply with any provision of these Conditions and the applicable Transaction Documents other than those referred to in paragraph (a) above, unless the failure to comply is capable of remedy and is remedied within ten Business Days of the Issuer becoming aware of the failure to comply;
- (c) any express representation or statement made by the Issuer in the applicable Transaction Documents or any other document delivered by or on behalf of the Issuer under or in connection with the Notes is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- (d) the relevant Compartment of the Issuer is unable or admits inability to pay its debts as they fall due or suspends making payments on any of its debts; or

- (e) it is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents;

**"Interest Commencement Date"** means the issue date of the Notes or such other date as may be specified as such in the applicable Final Terms;

**"Interest Payment Date"** means each date specified as such in the applicable Final Terms or if none is specified, the last day of each Interest Period;

**"Interest Period"** means each period determined in accordance with the applicable Final Terms, not extending beyond the Maturity Date; provided that if any such period would otherwise end on a day which is not a Business Day, unless otherwise specified in the applicable Final Terms, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not);

**"Interest Rate"** means the rate of interest payable from time to time in respect of the Notes and which is specified in, or calculated in accordance with the provisions of, the applicable Final Terms;

**"Issue Date"** means the date on which the Notes are issued by the Issuer as may be specified as such in the applicable Final Terms;

**"Maturity Date"** means the date specified as such in the applicable Final Terms;

**"Meeting of Noteholders"** means a meeting of the Noteholders held in accordance with the Agency Agreement;

**"Noteholder"** means a holder of one or more Notes save that, for so long as such Notes or any part thereof are represented by the Global Note deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg or, in respect of Notes in definitive form held in an account with Euroclear or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear, and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) as the holder of a particular principal amount of the Notes shall be deemed to be the holder of such principal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of the Transaction Documents other than with respect to the payment of principal or interest on such principal amount of such Notes, the rights to which shall be vested, as against the Issuer and the Security Trustee, solely in such common safekeeper and for which purpose such common safekeeper shall be deemed to be the holder of such principal amount of such Notes in accordance with and subject to its terms and the provisions of the Transaction Documents;

**"Obligation"** means any obligation of the Issuer for the payment or repayment of borrowed money, which shall include, without limitation, any Note and any other obligation that is in the form of, or represented by, a bond, note, certificated debt security or other debt security and any obligation that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement (to the extent allowed under the Securitisation Law).

**"Paying Agent"** means an Agents which principal function shall inter alia consist in the following :

1. delivering the Notes to the Noteholder(s) upon instruction of the Issuer and credit net proceeds to the relevant accounts;
2. collecting the interest and/or redemption amounts from an Issuer, one (1) Business Day prior to their payment date;
3. proceeding with the payment of the interest and/or redemption amounts to the Noteholders, through the ISCDs, on the applicable payment dates;

4. maintaining any books and accounting data pertaining to the services at all times up-to-date;
5. communicating to the Issuer and the ICSDs, without any undue delay, all information and documentation pertaining to the execution by the Paying Agent of the services;
6. completing, authenticating and delivering Global Notes and/or Certificates to the relevant ICSD or common depositary;
7. exchanging Temporary Global Note and/or Permanent Global Note for Definitive Notes, as the case may be; and
8. otherwise fulfilling its duties and obligations pursuant to the Agency Agreement.

**"Potential Default"** means an event which, with notice or lapse of time or both, would constitute an Event of Default;

**"Redemption Amount"** means, unless otherwise specified in the applicable Final Terms, the outstanding nominal amount of such Note;

**"Registrar and Transfer Agent"** means agent whose principal functions are to i) register and maintain detailed records of the transactions involving the Notes and ii) issue and cancel certificates (and any other relevant title) to reflect changes in ownership of the Notes (as the case may be).

**"Relevant Currency"** means the currency specified as such in the applicable Final Terms or if none is specified, euro;

**"Secured Creditors"** means the Security Trustee, the Agents, the Noteholders and each other person named as such in the Security Agreement;

**"Secured Property"** means the assets, rights, property and sums secured pursuant to the Transaction Documents including the Underlying Assets, all cash held by the Issuer in respect of the Series, all rights and interests of the Issuer under the Agency Agreement, the Custody Agreement and the other Transaction Documents and any other rights, titles and interest charged or assigned or secured in favour of the Security Trustee pursuant to the Transaction Documents (as the case may be), in each case securing the Issuer's payment obligations to the Secured Creditors under the relevant Series;

**"Security"** means the security constituted by the Issuance Documentation (including any covenants, representations or undertakings given in favour of the Security Trustee under the Security Agreement) for a specific Series of Notes and/or any other security documents (a **"Security Document"**) in respect of such Notes which creates or purports to create security in favour of the Security Trustee for the benefit of the Secured Creditors;

**"Transaction Documents"** means the Notes, the Conditions, the Final Terms, the Agency Agreement, any Custody Agreement, any Central Administration Service Agreement (in each case in respect of any Series of Notes), the Security Agreement, any deed of covenant or similar executed in connection with a Series of Notes and any other security documents entered into in connection with a Series of Notes and any other documents named as Transaction Documents constituting such Series of Notes; and

**"Transaction Party"** means each party to a Transaction Document other than the Issuer, and any other person specified as a Transaction Party in the applicable Final Terms.

**"Website"** means the website created and maintained for the Issuer and the Noteholders, named [www.fundnav.lu](http://www.fundnav.lu)



- 1.2 Words and expressions denoting the singular shall, where the context permits or requires, include the plural and *vice versa* and words and expressions denoting the masculine shall, where the context permits or requires, include the feminine and neuter and *vice versa*.

## 2 Form, denomination and title

- 2.1 The Notes will be by default in denominations of EUR 100.000,00 each (or the equivalent amount in any other currency) unless otherwise specified in the Final Terms.
- 2.2 The Notes will be issued at an issue price corresponding to 100% of their face value unless otherwise stated in the relevant Final Terms.

For so long as the Notes are admitted to trading on the professional segment of the Euro MTF Market and the rules of this exchange so require, the Issuer will publish a notice of any change in these denominations in accordance with the requirements of such rules.

- 2.3 The Issuer shall be free from time to time without the consent of the Noteholders to create and issue further Notes in respect of the other Compartments.

The Issuer may without the prior written consent of the general meeting of the Noteholders, issue several Series of Notes (each, a “**Series**” or “**Series of Notes**”) in which payments by the Issuer may be made in different currencies.

As used herein, “**Tranche**” means Notes which are identical and fungible in all respects and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single Series and (ii) having the same Terms and Conditions and being identical and fungible in all respects except for their respective Issue Dates and/or subscription prices and/or redemption rules (as described in the relevant Final Terms).

- 2.4 The Notes of each Series issued in bearer form (“**Bearer Notes**”) will be represented on issue by a temporary global note in bearer form (each a “**Temporary Global Note**”) or a permanent global note in bearer form (each a “**Permanent Global Note**”) (collectively, the “**Global Notes**”).

If the Global Notes are stated in the relevant Final Terms to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Series/Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”).

Notes in registered form (“**Registered Notes**”) will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder's entire holding of Notes in registered form of one Series. Certificates representing Registered Notes that are held in one or more clearing systems are referred to as global certificates (“**Global Certificates**”).

If a Global Certificate is held under the New Safekeeping Structure (the “**NSS**”) the Global Certificate will be delivered on or prior to the original issue date of the relevant Series/Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGN**”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the “**Common Depository**”).

Specific provisions will be set out in the relevant Final Terms in the cases where a Series of Notes is intended to be cleared through any clearing system other than Euroclear Bank SA/NV and Clearstream Banking S.A. or delivered outside a clearing system.

- 2.5 Global Notes will be deposited with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**") and each Global Note may contain provisions which modify these terms and conditions as they apply to such Global Note (and references in these terms and conditions to "Notes" shall mean as the context may permit or require (a) units of a denomination of EUR 100.000,00 (one hundred thousand euros) each and (b) any Global Note).
- 2.6 Transfers of Notes are to be made in accordance with the respective rules and procedures of Euroclear or Clearstream, as applicable.
- 2.7 Global Notes may only be converted into definitive bearer notes (with, if applicable, coupons and talons attached) in the circumstances set out in such Global Notes and in accordance with the terms of the Transaction Documents. To the extent that it is necessary to issue Notes in definitive form, the costs of producing definitive bearer notes shall be borne by the Issuer and the Issuer shall use its best endeavours to effect all necessary amendments to the Transaction Documents to reflect such issue of definitive Notes. The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note as the absolute owner for all purposes (whether or not the Note shall be overdue and notwithstanding any notice of ownership or writing on the Note or any notice of previous loss or theft of the Note). Title to Notes shall pass by delivery.

### **3 Status of the notes, use of proceeds, Subordination rules**

- 3.1 The Notes are limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves, recourse in respect of which is limited in the manner described in Condition 4. The Notes are either secured or unsecured as described in Conditions 4.1 and 4.2.
- 3.2 The net proceeds from each issue of Notes will be used to purchase or otherwise acquire Underlying Assets, to pay for or enter into any ancillary transaction in connection with the issue of such Notes or acquisition of such Underlying Assets and to pay general expenses in connection with the administration of the Issuer, the issue of the Notes or acquisition of the Underlying Assets.
- 3.3 By default, the following subordination rules apply to financial instruments issued by the Issuer or the loan contracted by the Issuer
1. The units issued at the charge of the Issuer are subordinated to the other financial instruments issued and to the loans contracted by the Issuer;
  2. Non-fixed yield debt financial instruments issued by the Issuer are subordinated to fixed yield debt financial instruments issued by the Issuer.

Notwithstanding the above-mentioned provisions, any relevant Final terms may contain clauses defining differently the rank of the rights of investors and creditors.

### **4 Security, compartments and limited recourse**

- 4.1 If so specified in the applicable Final Terms, the Notes of any Series issued by a Compartment of the Issuer will be secured in favour of the Security Trustee (for the benefit of itself and the other Secured Creditors) by a security interest in any and all securities and other financial instruments owned by such Compartment together with any and all claims that such Compartment has or may assert against any party as security for any and all financial obligations owed by the Compartment to the holders of Notes of the Series. Further, the Issuer shall in relation to any such secured Series of Notes, assign its rights (but not its obligations) under the Transaction Documents relating to such Series of Notes in favour of the Security Trustee.
- 4.2 Unless otherwise specified in the applicable Final Terms, such security interest (if any) shall be in the form of:

- (a) a first fixed charge over the Underlying Assets and all property, assets and sums derived therefrom, in each case from time to time;
  - (b) an assignment by way of security of all the Issuer's rights, title and interest attaching or relating to the Underlying Assets) and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
  - (c) an assignment by way of security of the Issuer's rights, title and interest against the Custodian and any relevant sub-custodian, to the extent that they relate to the Underlying Assets and/or the Notes;
  - (d) an assignment by way of security of the Issuer's rights, title and interest under the Agency Agreement, the Custody Agreement and the Central Administration Service Agreement, to the extent that they relate to the Underlying Assets and/or the Notes;
  - (e) an assignment by way of security of the Issuer's rights, titles and interests under the Custody Agreement, to the extent that they relate to any assets held by the Custodian and any relevant sub-custodian in respect of the Notes; and
  - (f) a first fixed charge over all sums held by the Paying Agent to meet payments due in respect of any amount owed to a Secured Creditor under the relevant Series.
- 4.3 The provisions of Conditions 4.4 to 4.6 shall apply in connection with any secured Series and shall not apply to any unsecured Series. The provisions of Conditions 4.7 to 4.8 shall apply in connection with any unsecured Series and shall not apply to any secured Series. The remainder of Condition 4 shall apply to a secured Series and an unsecured Series.
- 4.4 The obligations of the Issuer to pay any amounts due and payable in respect of a Series of Notes and to the other Transaction Parties at any time in respect of a Series shall be limited to the proceeds available out of the Secured Property in respect of such Series at such time to make such payments in accordance with Condition 11.4 and the Security Agreement. Notwithstanding anything to the contrary contained herein, or in any Transaction Document, in respect of a Series, the Transaction Parties and the Noteholders shall have recourse only to the Secured Property in respect of the Series, subject always to the Security, and not to any other assets of the Issuer. If, after (i) the Secured Property in respect of the Series is exhausted (whether following liquidation or enforcement of the Security or otherwise) and (ii) application of the available proceeds in accordance with Condition 11.4 and the Security Agreement, any outstanding claim, debt or liability against the Issuer in relation to the Notes of the Series or the Transaction Documents relating to the Notes of the Series remains unpaid, then such outstanding claim, debt or liability, as the case may be, shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following extinguishment in accordance with this Condition, none of the Transaction Parties or the Noteholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or managers to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or managers in respect of such further sum in respect of the Series.
- 4.5 None of the Transaction Parties (save for the Secured Parties who may lodge a claim in liquidation of the Issuer which is initiated by another party (but not otherwise) or take proceedings to obtain a declaration or judgment as to the obligations of the Issuer), the Noteholders, any Secured Creditor or any person acting on behalf of any of them may, at any time, institute, or join (except as aforesaid) with any other person in bringing, instituting or joining, the opening of any bankruptcy proceedings (faillite), insolvency proceedings, proceedings for voluntary or judicial liquidation (insolvabilité, liquidation volontaire ou judiciaire,) composition

with creditors (concordat préventif de faillite), reprieve from payment (sursis de paiement), controlled management (gestion contrôlée), fraudulent conveyance (actio pauliana), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of an examiner in respect of the Issuer (including, without limitation, the appointment of any receiver (curateur), liquidator (liquidateur), auditor (commissaire), verifier (expert-vérificateur, juge délégué or juge commissaire), or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or managers or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any notes other than the Notes issued by the Issuer (save for any further notes which form a single series with the Notes) or Secured Property in respect of a different Series of Notes or Obligations issued or entered into by the Issuer or any other assets of the Issuer (other than the Secured Property in respect of the Series).

- 4.6 In addition, none of the Transaction Parties, the Noteholders or any person acting on behalf of any of them shall have any recourse against any manager, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of these Conditions, the Security Agreement or any other Transaction Documents.
- 4.7 If the Underlying Assets of a Compartment and the net proceeds of the realisation of the security created pursuant to or in connection with the Security Document (if any) and/or any additional security are not sufficient to make all payments due in respect of the Notes issued by that Compartment, then the obligations of the Issuer in respect of such Notes will be limited to such Underlying Assets and net proceeds. For the avoidance of doubt, the assets of the other Compartments of the Issuer will not be available for payment of any shortfall (but will remain available to the holders of Notes issued by such Compartments). Accordingly, any shortfall shall be borne by the holders of the Notes issued by the relevant Compartment and no Secured Creditor shall have recourse to the Issuer or the Security Trustee in relation to any such shortfall in such circumstances.
- 4.8 The Issuer will not be obliged to make any further payment in excess of the aforementioned Underlying Assets and net proceeds and any right to receive any further sum in each case in respect of any shortfall remaining after application of the relevant Underlying Assets and net proceeds shall be extinguished and no Noteholder may take any further action to recover the shortfall (and failure to make any payment in respect of any shortfall shall in no circumstances constitute an Event of Default). In particular, subject to and in accordance with article 64, paragraph (1) of the Securitisation Law, no Noteholder can attach property of the Issuer or apply for bankruptcy of the Issuer or request the opening of any other collective or restructuring proceedings in respect of the Issuer.
- 4.9 The provisions of Condition 4.4 to 4.6 (inclusive) or Condition 4.7 to 4.8 (inclusive) (as applicable depending on whether a Series is a Secured Series or an unsecured Series) shall survive notwithstanding any redemption of the Notes of any Series or the termination or expiration of any Transaction Document.
- 4.10 The Issuer's general expenses and liabilities, which do not specifically relate to any Compartment or which otherwise relate to the general core of the Issuer, may be apportioned between the Compartments in such commercially reasonable manner as the Issuer's Management Company may determine in its sole discretion.
- 4.11 Notwithstanding the above, where any Underlying Assets and/or any property, assets and sums derived therefrom are held by the Custodian in book-entry form, the security interests granted in respect of the same might, as a result of such book-entry holding, take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Underlying Assets and/or property, sums and assets, as the case may be, rather than a charge over such Underlying Assets and/or property, sums and assets derived therefrom themselves.

- 4.12 Certain of the assets being the subject of the Security shall be released from the Security automatically, without the need for any notice or other formalities, to the extent required for the Issuer to be able to duly make any payment or delivery in respect of the Notes and/or the other Transaction Documents which is due and payable or deliverable, or in connection with the purchase of Notes or as otherwise provided for under the Conditions or the relevant Transaction Documents in respect of a Series.

## **5 Role of the Security Trustee and Enforcement**

- 5.1 Each Noteholder by purchasing and/or holding Notes acknowledges and agrees that a Security Trustee shall only be appointed if the requisite Notes are to be secured and, in the absence of a Security Trustee, each Noteholder shall be solely responsible for the enforcement of its rights under the Notes (including taking any steps or pursuing any remedies against the Issuer and/or accelerating the Notes in accordance with these Conditions) and that no Agent shall be responsible for taking any such action on behalf of a Noteholder.
- 5.2 Where a Security Trustee has been appointed in connection with a Series of Notes only the Security Trustee may enforce the Security and no Noteholder shall be entitled to enforce the Security unless the Security Trustee, having become bound to proceed in accordance with the Security Agreement, fails to do so within a reasonable period and such failure is continuing.
- 5.3 Where a Security Trustee has been appointed in connection with a Series of Notes, the rights, obligations and duties of the Security Trustee shall be set out in the Security Agreement which each Noteholder shall be deemed to have reviewed and approved in full. No Security Trustee shall suffer any liability to any person where it complies with its obligations under the Security Agreement.
- 5.4 Notwithstanding the foregoing (but subject to the detailed provisions of the Security Agreement) the Issuer, each Noteholder and each other Secured Party (other than the Security Trustee) acknowledges and agrees that:
- (a) at any time after the occurrence of an Enforcement Event the Security Trustee (without the need for notice to any person) shall, if so directed by an Extraordinary Resolution (but subject to being indemnified and/or pre-funded and/or secured to its satisfaction), enforce all or any part of the Security constituted by the Transaction Documents (if applicable);
  - (b) in order to enforce the Security the Security Trustee may:
    - (i) sell, call in, collect and convert the Secured Property into money and the Security Trustee may take possession of all or part of the Secured Property over which the Security shall have become enforceable;
    - (ii) take such action, step or proceeding against any obligor as it is instructed to take by the Noteholders in accordance with the Security Agreement without any liability to any other Secured Creditor as to the consequence of such action and without having regard to the effect of such action, step or proceeding on individual Noteholders or any other Secured Creditor; and
    - (iii) take any such other action or step or enter into any such other proceedings as it is instructed to take by the Noteholders in accordance with the Security Agreement (including, without limitation, taking possession of all or any of the Secured Property and/or appointing a receiver) as are permitted under the Security Agreement,

and the Security Trustee shall not be required to take any action, step or proceeding in relation to the enforcement of the Security without first being indemnified and/or secured and/or pre-funded to its satisfaction;

- (c) following an Enforcement Event the Security Trustee will hold amounts received by it under the Security Agreement on trust to apply them in accordance with such Security Agreement. The Noteholders and each other Secured Creditor is deemed to have knowledge of such order of application, including where the Security Agreement allows the Security Trustee to pay any amounts owing to it, or to any Agent, prior to applying amounts to Noteholders;
- (d) the Security Trustee shall not be obliged (1) to take any action in relation to the realisation of Security over any Secured Property, (2) to take any proceedings to enforce repayment of sums due under the Transaction Documents, or (3) to take any other action under the Transaction Documents including but not limited to agreeing modifications or waivers to any Transaction Document or exercising any other rights it has under any Transaction Document, unless it shall have been directed by an Extraordinary Resolution to do so and only then if it is indemnified, pre-funded or secured to its satisfaction. In no circumstances will the Security Trustee be obliged to take any action which may involve the Security Trustee in any personal liability or expense that is not assured to it. Notwithstanding the foregoing, the Security Trustee may at all times, whether or not so directed, take such action in respect of any right, power or discretion which is personal to the Security Trustee or is to preserve or protect the Security Trustee's position or is of a purely administrative nature;
- (e) the Security Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Security Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its subsidiaries;
- (f) in connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination referred to above), the Security Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Security any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders;
- (g) the Security Trustee may, in making any determination under the Transaction Documents, act on the opinion or advice of, or information obtained from, any accountants, financial advisers, investment bank, auditors or other experts and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from it so acting; and
- (h) the Security Trustee may rely without liability to Noteholders on any certificate or report prepared by any of the above mentioned advisers, auditors or experts pursuant to the Transaction Documents, whether or not the expert, adviser or auditor's liability in respect thereof is limited by a monetary cap or otherwise.

## **6 Undertakings**

- 6.1 The Issuer shall in the Security Agreement provide an undertaking in favour of the Security Trustee stating that it will not grant or permit to subsist any security interest upon the whole or any part of its assets having priority over and ranking ahead of any other security interest created in accordance with Condition 4 (other

than any lien or other security interest arising by operation of law or in the ordinary course of business and not as a result of any default or omission by the Issuer and excluding liens for taxes that are overdue and uncontested).

- 6.2 The Issuer covenants and undertakes to comply with all applicable laws, including without limitation all laws on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and all regulations and guidelines promulgated thereunder.
- 6.3 The Issuer shall not, without the prior consent in writing of the Security Trustee (in the case of a secured Series of Notes) or the prior consent of the Noteholders acting by way of Extraordinary Resolution (in the case of an unsecured Series of Notes) and except as provided for or contemplated in the Transaction Documents and the Securitisation Law:
- (a) engage in any business other than the issuance or entry into of Obligations, the entry into of related agreements and transactions and the performing of acts incidental thereto or necessary in connection therewith, and provided that such Obligations and any related agreements 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;
  - (b) have any subsidiaries except special purpose vehicle to acquire the Underlying Assets (however, this shall not prevent the Issuer from purchasing shares in connection with the issuance or entry into of Obligations even where such purchase would result in the Issuer holding a controlling stake in another entity);
  - (c) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person;
  - (d) have any employees;
  - (e) issue any shares (other than such shares as are in issue at the date hereof and such shares as may be issued in accordance with the Securitisation Law) or make any distribution to the shareholders of one Compartment (other than in relation to the above-mentioned shares) before having to reimburse the Notes issued at the charge of such Compartment;
  - (f) declare any dividends in relation to the units issued by one Compartment (other than in relation to such shares as may be issued in accordance with the Securitisation Law) before having to reimburse the Notes issued at the charge of such Compartment;
  - (g) except as is required in connection with the issuance or entry into of Obligations, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities) except if such asset is the Underlying Asset of the relevant Compartment;
  - (h) 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;
  - (i) 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;
  - (j) 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 any Secured Property, to any other entity or person; or
  - (k) approve, sanction or propose any amendment to its constitutional documents.

## 7 Interest – fixed rate notes

- 7.1 If, in their Final Terms, this Condition 7 is specified to apply to Notes ("**Fixed Rate Notes**"), then each such Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum equal to the Interest Rate specified for each Interest Period in the Final Terms, such interest being payable in arrears on each Interest Payment Date.
- 7.2 Unless otherwise described in the Final Terms, any interest accruing under such Notes will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (having regard to any issue of further Notes being consolidated with existing Notes to form a single Series during an Interest Period).

Where applicable, interest payable between parties will be calculated on a 30/360 basis in respect of the calculation of an amount for any period of time where such day count fraction, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\{360 \times (Y_2 - Y_1)\} + \{30 \times (M_2 - M_1)\} + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30";

- 7.3 Interest will cease to accrue on each Note on the due date for redemption unless (where relevant, upon due presentation thereof) payment of principal is improperly withheld or refused, in which event interest will continue to accrue (both before and after judgment) at the Interest Rate in the manner provided herein.
- 7.4 If the Issuer fails to pay any amount payable by it under these Conditions or the applicable Final Terms on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the Luxembourg statutory interest rate (*taux d'intérêt légal*) for commercial transactions. Any interest accruing under this Condition 7.4 shall be immediately payable but will not be compounded.



## 8 Interest - floating rate notes, zero coupon notes and tracker certificates

8.1 If Notes are identified as "Floating Rate Notes" or "Zero Coupon Notes" or "Tracker Certificates", respectively, in the relevant Final Terms, then in lieu of Condition 7, this Condition 8 shall apply to such Notes ("**Floating Rate Notes**" or "**Zero Coupon Notes**" or "**Tracker Certificates**", respectively), except that Condition 7.3 and 7.4 shall continue to apply in all cases.

8.2 The Interest Rate of Floating Rate Notes will be specified in and determined by the Calculation Agent in respect of each Interest Period in accordance with the applicable Final Terms. Floating Rate Notes will bear interest at a rate set by reference to a benchmark such as EURIBOR or SOFR, as adjusted for any applicable margin or based on all or part of the value of the Underlying Assets, cash flows, risks acquired by the Compartment, or any other manner as specified in the relevant Final Terms.

8.3 Zero Coupon Notes do not bear interest.

Where a Zero Coupon Note is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note, as further specified in the relevant Final Terms.

As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield, as further specified in the relevant Final Terms.

8.4 Tracker Certificates may bear interest based on a formula, a performance, an Index linked with all or part of the value and cash flows related to the Underlying Assets, the cash flows generated within the Compartment or the risks acquired by the Compartment as specified in the relevant Final Terms.

The Conditions 7.3 and 7.4 shall continue to apply where such Tracker Certificate is repayable and is not paid when due by the Issuer.

## 9 Redemption and purchase

9.1 Unless previously redeemed or purchased and cancelled as provided below, each Note will be redeemed at its Redemption Amount (which unless otherwise specified in the Final Terms, is its outstanding principal amount together with accrued interest minus any specified margin amount not exceeding such accrued interest) on the Maturity Date specified in respect of each Note.

9.2 By default, unless otherwise stated in the Final Terms, each of the Notes issued as a Zero Coupon Note/Tracker Certificates will be redeemed on the final maturity date at the registered office of the Issuer. Their Redemption Amount is calculated by taking the total value of the Underlying Assets minus the management costs of the Issuer related to the Compartment. Generally, all the Issuer's expenses will be paid by the Issuer but will be deducted from the final Redemption Amount including but not limited to the following ("the Management Expenses"):

- Any tax payable related to the holding or disposal of the Underlying Assets and income received by the Compartment;
- Banking, brokerage and transaction fees charged on the transactions carried out to acquire, manage, service, hold, deposit, transact, maintain, protect, transfer, sell or dispose of the Underlying Assets;
- Fees and expenses incurred by the Agents in charge of administration of the Compartment, the domiciliation agent, the transfer and administrative agent, audit, NAV calculation, calculation agent, the Security Trustee and the Settlement, Fiscal or Paying Agent appointed by the Issuer;
- The Issuer's Management Company' fees;
- Fees charged for custody services by the Custodian;

- Other operating expenses including expenses related to the Management Company' duties and functions, administration;
- The cost of drafting and printing the Private Placement Memorandum and any other printing, order confirmation and publication cost, Website and notices to Noteholders;
- The cost of preparing, printing and filing administrative documents, reports, Private Placement Memorandum, Final Terms and explanatory reports with the authorities, fees payable for the registration and maintenance of the Issuer with authorities and administrations, the cost of preparing, translating, printing and distributing periodic reports and other documents required by law or regulations;
- The cost of accounting and calculating the equity of a Compartment, the redemption value of any Series of Notes;
- the cost of preparing, distributing and publishing reports for shareholders and Noteholders,
- The fees for setup, incorporation, liquidation, amalgamation and other corporate actions, legal consultants, administrator, receivers, experts and independent auditors, and any similar operating costs;
- All expertise reports and/or exceptional measures, or legal proceedings; and
- Third parties advisor, auditors, Agents and Index Provider's fees.

The costs which are related to several Compartments are apportioned by the Management Company of the Issuer.

- 9.3 If so provided in the Final Terms, the Issuer may, on giving no less than 15 Business Days' and no more than 30 Business Days' notice to the Noteholders (which notice shall be irrevocable) in accordance with these Conditions and, if the Notes are listed on any stock exchange and the rules and regulations thereof so require, such stock exchange, redeem (in whole or, if so provided, in part) all (or, if so provided, some) of the Notes on the date or dates so provided. Subject to the Final Terms, any such redemption of Notes shall be at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption. All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice.
- 9.4 Where only some of the Notes are to be redeemed, the Notes to be redeemed will be selected by the Issuer, subject to and in accordance with applicable law and, if the Notes are represented by a Global Note deposited with a common safekeeper for Euroclear and/or Clearstream, the respective rules and procedures of Euroclear or Clearstream, as applicable, and, if the Notes are listed on any stock exchange, the rules and regulations of such exchange.
- 9.5 The Issuer may be authorised to restrict or limit the number of Notes to be redeemed and impose some lock-up period ("**Lock-Up**"), minimum period of holding or gate at Noteholder's Level or gate at the Tranche's level ("**Gate**"). Such restrictions, limitations and conditions on redemption will be detailed in the relevant Final Terms.
- 9.6 The Issuer may at any time purchase one or more Notes in the open market at any price and from any one or more Noteholders. The Notes purchased in accordance with this Condition 9 will be cancelled and may not be resold. For the avoidance of doubt, the Issuer shall be released from any obligations in respect of purchased Notes.
- 9.7 If the Issuer is not able to receive the income from an Underlying Asset nor to dispose of it according to its original plans, the Issuer may not be able to make payments under the Conditions and the Noteholder(s) may receive in redemption some or part of the Underlying Assets in specie as an equivalent to cash. The Issuer decides to apply this procedure at its own discretion in order to meet the Obligations under the Notes.
- 9.8 The Management Company may, at its sole discretion, decide to redeem all the outstanding Notes held by a Noteholder in the following circumstances:

- a) if the continued holding of Notes of one or more Noteholder(s) is likely to cause the Issuer and/or the Management Company to breach any material law, regulation, reputation or interpretation or would result in the Issuer and/or the Management Company or any Noteholder suffering material taxation, damage or other economic disadvantages which they would not have suffered had such person ceased to be a Noteholder;
- b) if a Noteholder has materially breached any provision of the Issuance Documentation;
- c) if a Noteholder has breached any provision of the FATCA and CRS rules;
- d) if the Notes were acquired or are being held in violation of the Securitisation Law or any of the Issuance Documentation, by in particular any person who is not or ceased to be a Professional Client. In that scenario, the Management Company may decide:
  - (a) to redeem all the outstanding Notes held by a Noteholder; or
  - (b) to have such Notes transferred to an existing Noteholder or to a third party;
- e) if such other circumstances as the Management Company determines acting in good faith where continued ownership of Notes by a Noteholder would be materially prejudicial to the interests of the Issuer or its Noteholder;
- f) in the case of death of a Noteholder, where his/her heirs do not qualify as Professional Client. In that scenario, the Management Company may decide:
  - (a) to redeem all the outstanding Notes held by a Noteholder; or
  - (b) to have such Notes transferred to an existing Noteholder or to a third party; and
- g) in any other event as further set out in the Final Terms.
- h) if the Compartment's activities are not economically viable.

## **10 Payments**

- 10.1 Payment of principal and/or interest in respect of the Notes will be made in the Relevant Currency by credit or transfer to a bank account (or any other account on which credits or transfers may be made in the Relevant Currency). Amounts received from the Issuer shall be applied in or towards payment of any accrued interest after repayment of principal on the Notes, to the extent any repayment of principal is due at such time.
- 10.2 Payments on a Global Note will be made in accordance with the respective rules and procedures of Euroclear and/or Clearstream. Each of the persons shown in the records of Euroclear or Clearstream as the holder of a Note represented by a Global Note must look solely to Euroclear or Clearstream, as applicable, for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.
- 10.3 If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and shall not be entitled to any interest or other additional sums in respect of such postponed payment.
- 10.4 The Issuer shall, on each date on which payments are to be made to the Noteholders, apply amounts available to it as follows:

- (a) first, in payment or satisfaction of any taxes owing by the Issuer and reimbursing the Custodian where the Custodian has, on behalf of the Issuer, paid or satisfied taxes owing by the Issuer in accordance with the Custody Agreement;
- (b) secondly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Security Trustee (if any) under the Transaction Documents (including but not limited to any taxes, VAT, legal fees, remuneration and indemnity amounts);
- (c) thirdly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Agents (on a *pro rata* and *pari passu* basis) under the Transaction Documents (including but not limited to any taxes, VAT, legal fees, remuneration and indemnity amounts);
- (d) fourthly, in or towards payment pro rata of any accrued interest due but unpaid under the Notes;
- (e) fifthly, in or towards payment pro rata of any principal due but unpaid under the Notes; and
- (f) sixthly, in or towards payment pro rata of any other sum due but unpaid under the Notes.

10.5 All payments to be made by the Issuer under the Notes shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

## 11 Calculations

To the extent the Issuer deems it necessary to do so in relation to an individual Series of Notes, it may appoint a Calculation Agent to perform all calculations and determinations in relation to any payments to be made by the Issuer under the Notes. Any Calculation Agent appointed shall perform its obligations in a commercially reasonable manner and shall (save in the case of manifest error at the time the relevant calculation or determination is made) be final and binding on the Noteholders. Any Calculation Agent appointed shall suffer no liability to any Noteholder or other person in connection with its obligations under the Transaction Documents unless it has acted with gross negligence, wilful misconduct or fraud.

## 12 Tax deductions

- 12.1 The Issuer shall make all payments to be made by it without any deduction or withholding for or on account of any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) from a payment under the Notes (a "**Tax Deduction**"), unless a Tax Deduction is required by law.
- 12.2 If a Tax Deduction is required by law to be made by the Issuer, the amount of the payment due from the Issuer to the Noteholders shall not be increased.
- 12.3 If the Issuer is required to make a Tax Deduction, the Issuer shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- 12.4 If at any time the Issuer, the Paying Agent or the Security Trustee is required to make a Tax Deduction it shall be fully entitled to do so without liability to any person and shall have no obligation to gross-up amounts to account for such Tax Deduction. All payments made by the Issuer in respect of the Notes shall be reduced by any tax which may be required to be paid, withheld or deducted. Noteholders will not be entitled to receive grossed-up amounts to compensate for any such tax, duty, withholding or other payment and no event of default shall occur as a result of any such withholding or deduction.

## 13 Events of default

- 13.1 The Issuer will promptly and in any event within five calendar days notify the Noteholders of the occurrence of a Potential Default (of which it has knowledge) or the occurrence of an actual Event of Default.

- 13.2 On and at any time after the occurrence of an Event of Default which is continuing, the Noteholders of the relevant Series may (acting by way of Extraordinary Resolution) declare that all or part of the principal of the Notes of the relevant Series, together with accrued interest, if any, be immediately due and payable, whereupon it shall become immediately due and payable.
- 13.3 If a Security Trustee has been appointed in relation to a Series of Notes, Condition 13.2 shall not apply and this Condition 13.3 shall instead apply. On and at any time after the occurrence of an Event of Default which is continuing, the Noteholders of the relevant Series may (acting by way of Extraordinary Resolution) declare that all the principal of the Notes of the relevant Series, together with accrued interest, if any, be immediately due and payable, whereupon it shall become immediately due and payable (the passing of such an Extraordinary Resolution being an "**Enforcement Event**").

#### **14 Prescription, replacement and exchange**

- 14.1 All claims against the Issuer for the payment of principal or interest in respect of the Notes shall lapse after five (5) years, both in the case of principal and interest, from the due date for payment thereof.
- 14.2 Should any Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the registered office of the Issuer or the Paying Agent's, in accordance with applicable law and upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes must be surrendered before replacements will be issued.

#### **15 Notices**

- 15.1 Notices to be given by the Issuer to the Noteholders shall be validly given if published (in English) in a daily newspaper of general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or on the Website, save where all holders of Notes of a particular Series waive their rights to any particular notice in writing before or after the event that gives rise to the notice requirement. Any such notice published as aforementioned shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication. Noteholders are deemed to be notified the day on which the notice is uploaded on the Website. Noteholders are required to log in the Website to be kept updated. If a Noteholder has mentioned his/her email address in the Subscription Agreement or Form, such notice can be sent and is deemed validly delivered by the Issuer to the Noteholder by using this email address.
- 15.2 For so long as one or more Notes are represented by a Global Note deposited with a common safekeeper for Euroclear and/or Clearstream, notices to Noteholders may be given (in lieu of publication in accordance with Condition 15.1) by delivery of the relevant notice to Euroclear and/or Clearstream, as applicable, for communication to the relevant accountholders except that if and for so long as the Notes are listed on a stock exchange, the Issuer shall also procure that all notices to holders of the Notes will be published in accordance with the rules of such stock exchange. Any such notice shall be deemed to have been given to the holders of the relevant Notes on the second day following the day on which such notice is delivered to the relevant clearing systems.

#### **16 Variation and meetings of Noteholders**

- 16.1 The Notes (including any Global Notes) of any Series and the Conditions may be amended by the Issuer without the consent of the holder of any Note (a) for the purpose of curing any ambiguity or for curing, correcting or supplementing any defective provision contained in these Conditions, or (b) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes of that Series. In addition, the parties to the Agency Agreement, the Custody Agreement and/or any Central Administration Service Agreement may agree to modify any provision thereof but the Issuer shall not agree, without the consent of the Noteholders, to any such

modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

- 16.2 If a Security Trustee has been appointed in relation to a Series of Notes, the consent of the Security Trustee will be required to amend any Transaction Document that the Security Trustee is a party to or under which it has assigned rights as part of the Security for such Series and such consent shall only be given by the Security Trustee in accordance with the Security Agreement. The Security Trustee shall not be required to agree to any modification that would, in its sole opinion, result in it incurring additional liabilities or obligations or in its protections or rights under the Transaction Documents being reduced.
- 16.3 In addition, in respect of any Series of Notes, by resolution adopted by the holders of a majority in aggregate principal amount of a Series of Notes then outstanding (an "**Extraordinary Resolution**") present or represented at a Meeting of Noteholders of such Series at which a quorum of one or more holders representing not less than 25% (twenty-five per cent.) of the aggregate principal amount of the Series of Notes then outstanding is present or represented, the Issuer may from time to time vary the Transaction Documents as they apply to the relevant Series, unless the business of such meeting includes consideration of a proposal to:
- (a) change the stated maturity of the principal of or any instalment of interest on any Note or any redemption date of the Notes,
  - (b) reduce or cancel the denomination or nominal value of or interest or any other amount payable on any Note,
  - (c) to vary any method of, or basis for, calculating any interest, principal or other amounts payable on the Notes,
  - (d) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or
  - (e) to modify the definition of the type of Underlying Assets linked with a Note or the Index linked with one Note
  - (f) to modify clauses of the Security Agreement or Condition 10.4, in which case the quorum shall be one or more holders representing not less than 50% (fifty per cent.) of the aggregate principal amount of Notes then outstanding.

Any such variations of these Conditions will be conclusive and binding on all holders of Notes of the relevant Series, whether or not they have given such consent or were present or represented at any meeting, and whether or not notation of such variations or waivers is made upon the Notes.

- 16.4 In addition, in respect of any Series of Notes, (i) any written resolution signed by or on behalf of the holders of more than 50% (fifty per cent.) in principal amount of the Notes for the time being outstanding or (ii) where the Notes are held by or on behalf of Euroclear and/or Clearstream, approval of a resolution proposed by the Issuer given by way of electronic consent communicated through the electronic communications system of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holder of more than 50% (fifty per cent.) in principal amount of the Notes for the time being outstanding, has (in each case) effect as an Extraordinary Resolution as if duly passed at a Meeting of Noteholders of that Series, and references in these Conditions to resolutions passed at a Meeting of Noteholders or an Extraordinary Resolution shall be construed accordingly and any such written resolution or resolution by electronic consents will be binding on all Noteholders whether or not they participated in such written resolution or electronic consent.

- 16.5 Where it is required by law or under any applicable agreement that Noteholders be consulted, decisions shall be passed by Extraordinary Resolutions and Conditions 16.4 and 16.5 shall apply *mutatis mutandis*.
- 16.6 The Issuer or the Noteholders may convene a Meeting of Noteholders in accordance with the terms of the Agency Agreement, the Conditions, or applicable legal provisions, as the case may be.

## 17 Miscellaneous

- 17.1 Nothing in these Conditions shall be construed or be deemed to create a partnership or similar relationship between the Issuer and the Noteholders or between the Noteholders themselves, whether under the laws of Luxembourg or under the laws of any other jurisdiction.
- 17.2 Any provision of these Conditions which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
- 17.3 In any litigation or arbitration proceedings arising out of or in connection with the Notes, the entries made in the accounts maintained by the Issuer are prima facie evidence of the matters to which they relate.
- 17.4 Where a Security Trustee has been appointed in respect of a Series of Notes, the provisions of articles 470-1 to 470-21 of the Commercial Companies Law 1915 shall not apply to these Conditions in the event that they are superseded by the provisions of this Private Placement Memorandum set out in Condition 5 (Role of the Security Trustee and Enforcement) and Condition 16 (Variation and Meeting of Noteholders) unless otherwise described in the relevant Final Terms. The provisions of the Commercial Companies Law 1915 in respect of notes (*obligations*) or meetings of noteholders (*obligataires*) shall only apply in respect of the Issuer's obligations under the Transaction Documents if and to the extent consistent with these Conditions or if not capable of being derogated from..
- 17.5 The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the Notes.
- 17.6 If a Security Trustee has been appointed in relation to a Series of Notes, Condition 17.5 shall not apply and this Condition 17.6 shall instead apply. The Issuer shall be at liberty from time to time (but subject always to the provisions of the Security Agreement and these Conditions) without the consent of the Noteholders or any other Secured Creditor to create and issue further Notes having terms and conditions the same as the Notes (or the same in all respects save for the amount and date of the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes of a particular Series. Any such further notes shall only form a single Series with the Notes (unless otherwise sanctioned by an Extraordinary Resolution) if the Issuer provides additional assets (as security for such further notes) which are fungible with, and have the same proportionate composition as, those forming part of the Secured Property for the Notes and in the same proportion as the proportion that the nominal amount of such new notes bears to the Notes. Any new notes forming a single series with the Notes shall be constituted and secured by a deed supplemental to the Security Agreement, such further security shall be added to the Secured Property so that the new notes and the existing Notes shall be secured by the same Secured Property (and, for the avoidance of doubt, all the holders of the first and all later tranches of Notes shall benefit from the Secured Property on a *pari passu* basis).

## 18 Governing law and jurisdiction

- 18.1 The Notes and these Conditions are governed by the laws of Grand Duchy of Luxembourg.

- 18.2 The tribunals and courts of Luxembourg city have exclusive jurisdiction to settle any dispute or claim that may arise out of or in connection with any Notes and these Conditions and accordingly any legal action or proceedings arising out of or in connection with any Notes and these Conditions ("**Proceedings**") may be brought in such courts. This submission is made for the benefit of the Security Trustee, each Agent and each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- 18.3 The Agency Agreement, the Custody Agreement and any Security Agreement (in each case including any non-contractual obligations arising out of or in connection with them) are governed by and shall be construed in accordance with Luxembourg law. The courts of Luxembourg are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Agency Agreement, the Custody Agreement and any Security Agreement and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement, the Custody Agreement and any Security Agreement ("**Transaction Document Proceedings**") may be brought in such courts. The Issuer has in the Agency Agreement, the Custody Agreement and any Security Agreement irrevocably submitted to the jurisdiction of such courts. This submission is made for the benefit of the Security Trustee and the relevant Agents and shall not limit the right of any of them to take Transaction Document Proceedings in any other court of competent jurisdiction nor shall the taking of Transaction Document Proceedings in one or more jurisdictions preclude the taking of Transaction Document Proceedings in any other jurisdiction (whether concurrently or not).

## **19 Redemption of Notes at the initiative of the Issuer or the Noteholders**

### *Redemption of Notes at the initiative of the Issuer :*

The Notes may be redeemed before maturity at the initiative of the Issuer in full or in part as specified in the Final Terms.

In such case, unless otherwise stated in the relevant Final Terms, the Redemption Amount per Note shall be equal to 100% of the Issue Price per Note supplemented by any accrued yet outstanding Coupon as of the date of the voluntary early redemption date (as applicable).

The Issuer will proceed to inform the Noteholders accordingly, by publishing notice to the Noteholders at least five (5) Business Days before the actual redemption date indicated in the notice.

### *Redemption of Notes at the initiative of the Noteholder(s) :*

Assuming that it is stated in the Final Terms the Notes may also be redeemed before the maturity at the initiative of one or several Noteholder(s) in full or in part.

Unless otherwise stated in the relevant Final Terms, the Redemption Amount per Note shall be equal to 100% of the Issue Price per Note supplemented by any accrued yet outstanding Coupon as of the date of the voluntary early redemption date (as applicable).

If such option is available to the Noteholder(s) the relevant Final Terms will specify the conditions at which such redemption may satisfy, the notice period of at least five (5) Business Days, the gate, the method of redemption, lock up period or any other conditions as applicable.

## **20 Substitution of Issuer**

In respect of any Series of Notes, by resolution adopted unanimously by the holders of that Series of Notes then outstanding present or represented at a Meeting of Noteholders of such Series at which a quorum of one or more holders representing not less than 75% (seventy-five per cent) of the aggregate principal amount of the Series of Notes then outstanding is present or represented, the Noteholders may agree to the substitution, in place of the Issuer (or of any previous substitute hereunder) of another entity (the "New



Issuer”) as debtor in respect of all obligations arising under or in connection with the Notes and the Issuance Documentation, provided that:

a) the New Issuer assumes all rights and duties of the Issuer in respect of the Notes and under the Issuance Documentation;

b) the New Issuer has obtained all necessary authorisations and governmental approvals in the country in which it has its registered office and is in a position to fulfil all its obligations in respect of the Notes without discrimination against the Noteholders in their entirety;

c) the New Issuer may pay in the currency required hereunder and without being obliged to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the New Issuer has its domicile or tax residence from any payments due under the Notes and the substitution shall not result in any withholding or deduction of taxes on the amounts payable under the Notes which would not arise if there was no such substitution; and

d) the Issuer and the New Issuer enter into such agreements and execute such documents as considered necessary for the effectiveness of the substitution.

The Management Company may also decide at any time and at its own discretion to substitute the Issuer of any Series of Note by a New Issuer provided that the same conditions - a) to d) above - are respected.

Upon fulfilment of the above conditions, the New Issuer shall in every respect substitute the Issuer and the Issuer shall be released from all its obligations to the Noteholders as issuer of the Notes except for the obligations assumed with respect to the substitution.

Upon the substitution, each reference to the Issuer in the Conditions shall from then on be deemed to be a reference to the New Issuer and any reference to the country in which the Issuer has its registered office, domicile or residency for tax purposes, as relevant, shall from then on be deemed to be a reference to the country in which the New Issuer has its registered office, domicile or residency for tax purposes, as relevant.

## **21 Provisions relating to notes while in Global Form**

### **21.1 Issue of Notes**

If the Global Notes or the Global Certificates are stated in the relevant Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Series/Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

International bearer global form debt securities will have to be issued in NGN form to be eligible as collateral for Eurosystem intra-day credit and monetary policy.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Series/Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a Common Depository or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg.

The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time. Global Notes may also be deposited initially with other clearing systems which must be outside the United States and its possessions.

Notes that are initially deposited with the Common Depositary or delivered to the Common Safekeeper may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other permitted clearing system (“**Alternative Clearing System**”) as being entitled to an interest in a Global Note or a Global Certificate (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the holder of such Global Note or Global Certificate and in relation to all other rights arising under such Global Note or Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). For so long as the relevant Notes are represented by a Global Note or Global Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Certificate.

## 21.2 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the TEFRA C Rules or in a transaction to which TEFRA is not applicable in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

(the “Temporary Global Note Exchange Events”).

## 21.3 Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph “Partial Exchange of Permanent Global Notes” below, in part for Definitive Notes:

- (i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice of its election for such exchange.

(the “Permanent Global Note Exchange Events”).

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

#### 21.4 Global Certificates

If the Final Terms state that the Notes are to be represented by a Permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the Registered Holder has given the registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

#### 21.5 Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Notes is not paid when due.

#### 21.6 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Offering Circular, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

## 21.7 Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the relevant clearing system is located.

## 21.8 Exchange Events

“**Exchange Events**” means (i) the Temporary Global Note Exchange Events in relation to a Temporary Global Note and (ii) the Permanent Global Note Exchange Events in relation to a Permanent Global Note.

## 21.9 Conditions applicable to Global Notes

Each Global Note and Global Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Certificate. The following is an overview of certain of those provisions:

### Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the TEFRA D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

So long as the Notes are represented by a Global Note or Global Certificate and the Global Note or Global Certificate is held on behalf of a clearing system, the Issuer has undertaken, inter alia, to pay interest in respect of such Notes from the Interest Commencement Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes represented by the Global Note or Global Certificate.

### Prescription

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate relevant date.

#### Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

#### Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note.

#### Purchase

Notes represented by a Permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.

#### Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion or any other Alternative Clearing System, as the case may be).

#### Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the Permanent Global Note is a CGN, presenting the Permanent Global Note to the Paying Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered pro rata in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

## NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

## Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that if and for so long as the Notes are listed on a stock exchange, all notices to holders of the Notes will be published in accordance with the rules of such stock exchange.

## Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "Electronic Consent" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or Alternative Clearing System (the "relevant clearing system") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## 22 Provisions relating to Notes with several drawdown dates

Unless otherwise stated in the relevant Final Terms, the Nominal Amount of Notes are always payable by the Noteholder(s) in full on the Issue Date. If they are not fully paid on Issue Date, the Notes are partially funded. (“**Partially Funded Notes**”)

The relevant Final Terms shall provide for one or several date(s) (“**Drawdown Date**”) upon which the Noteholders will be requested to pay whole or part of the Nominal Amount of the Notes they have either subscribed or acquired. (“**Capital Call**”).

Such Final Terms may also provide that such Drawdown Dates and the amount of the Capital Calls are determined by the Issuer. By default, the Issuer will allow at least ten (10) Business Days between the date of a Capital Call and the Drawdown Date.

If a Noteholder fails to pay the amount due to the Issuer on time, the Issuer will have the right to declare such Noteholder as Defaulting Noteholder with effect from the Drawdown Date and all Notes of the same Series held by or on behalf of the Defaulting Noteholder (“**Defaulting Note**”) will have their voting rights suspended and will not carry right to any Repayment or Coupon.

In addition, the Issuer will have the right to exercise one or more of the following remedies:

(a) repurchase, on account of the relevant Compartment, the Defaulting Notes at a price determined by the Issuer in its reasonable discretion (which price can be at a discount of up to 100% of the Issuer Price, but not lower than 1,00 EUR. (the “**Defaulting Redemption Amount**”), such Defaulting Redemption Amount to be payable subject to (a) the Compartment having sufficient available cash therefor and (b) all Noteholders having received full repayment of their Notes and, as applicable, the Coupons;

(b) exercise, on account of the relevant Compartment, an option to buy the Defaulting Notes of the Defaulting Noteholder at the Defaulting Redemption Amount, in which case, the Issuer will, after having acquired the Defaulting Notes of the Defaulting Noteholder pursuant to the exercise of its option, offer the Defaulting Notes of the Defaulting Noteholder to a third party (or parties) identified by the Issuer at the Defaulting Redemption Amount provided that before offering the Defaulting Noteholder's Defaulting Notes to any third party, the Issuer will offer them to the non-Defaulting Noteholders in the relevant Compartment at the Defaulting Redemption Amount, who will have a period of ten (10) calendar days to accept the offer. Any non-Defaulting Noteholder(s) expressing an interest in such a purchase will be offered the Defaulting Notes prorata based on the portion of existing Note in issuance they are holding in the relevant Compartment.

(c) reduce or terminate the Defaulting Noteholder's unpaid Capital Call to the relevant Compartment or arrange for the forced assignment of such amount to a third party or a non-Defaulting Noteholder;

(d) off-set such unpaid amount and all other amounts payable by such Defaulting Noteholder to the Compartment,

including the relevant expenses against, or withhold, distributions unpaid or otherwise payable by the Compartment to the Defaulting Noteholder;

(e) prohibit the Defaulting Noteholder to pay any further amount to the Compartment

(f) pursue any available legal remedies against the Defaulting Noteholder for the account of the relevant Compartment to collect any and all of the unpaid amount due from the Defaulting Noteholder and any other damages (including consequential damages)

Any exercise of any or none of the remedies set out under this clause will not prejudice the right of the

Issuer to pursue any other available legal remedies against any Defaulting Noteholder. The Issuer will have the right to set-off any of the relevant Compartment's obligations to pay any amount to the Defaulting Noteholder as a result of the exercise of any of its rights under this clause against any obligation of the Defaulting Noteholder owed to the relevant Compartment.

Partially Funded Notes are not transferrable to any other person and must remain registered in the name of its subscriber unless :

- they have been fully paid in.
- the Issuer has discharged the Noteholder of any further payment
- they have be redeemed by the Issuer following a default by its Noteholder

Partially Funded Notes shall never be listed nor accepted in the clearing system.

### **23. Provisions relating to notes while in tokenized form (Token)**

When the Notes are to be issued in tokenised form by the Issuer, they shall be represented by digital assets or tokens ("Tokens"), distributed through decentralised ledger technology ("DLT").

The Issuer will appoint a Tokeniser who will generate the related Tokens that will represent the Notes distributed to Noteholders

Interests in the Notes in tokenized form shall only be created, issued or transferable in accordance with the rules and procedures of the terms and conditions of the Notes, the articles of association of the Issuer, the subscription agreement, the further rules of the White Paper related to the Token and the laws of Luxembourg.

Investors will need to successfully complete KYC/AML process before they may acquire the Tokens.

Investors will be required during the subscription process to provide the address of a digital wallet that it/he/she owns on the blockchain of reference indicated by the Issuer (the "Blockchain of Reference") and/or it/he/she will be provided with a digital wallet by the Issuer.

The transfer of the Token(s) within the DLT triggers the transfer of the underlying Note(s) represented by such Token(s) and the register of Notes will be updated in line with the transfers reflected in the DLT.

The ultimate proof of ownership legally binding toward third parties under Luxembourg law resides in the register of Notes kept by the Registrar.

The Noteholders will be provided periodically with a copy of the updated register of Notes.

#### *Subscription and distribution of Tokens*

Prior to the Issue Date, the prospective subscribers of Notes under tokenized form may express their interest in the Tokens. In case the Issuer considers the interest expressed sufficient, the subscription process will be initiated.

During the subscription process, the prospective Tokenholders may transfer in USDC an amount equal in the reference currency of the Tokens to their intended subscription amount, which will be locked by the issuing smart contract and then the KYC process with such prospective Tokenholder will be immediately initiated.



In case the KYC process is not successfully completed, the subscription amount will be refunded to the prospective Tokenholder. If the KYC process is successfully completed, the subscription amount will be transferred to the Issuer's bank account unless there is an oversubscription to the issue in which case, the issuer has the right to allot Tokens to subscribers in a pro rata or other suitable scheme of allotment.

In case of crypto-currency payments, the Issuer will receive such crypto-currencies on its own wallet and it convert them into the reference currency of the Token as described in the White Paper.

Following the successful completion of the KYC onboarding process of a subscriber of Tokens (the "Tokenholder"), the Tokens will be allocated to the Tokenholder on the date of issuance (the "Issue Date").

*White Paper :*

The terms and conditions applicable to the Tokens may be different than the ones applicable to the Notes. Such terms will be set out in the White Paper and may vary on the:

- Currency of issuance of the Tokens
- Number of Notes or fraction of Notes represented by one Token
- Voting right
- Options of redemption and transfer
- Interest payable, redemption amount calculation and coupon payment
- Expenses at the charge of the Token(s)

Otherwise by default the Tokens will provide to the Tokenholder(s) all the rights and obligations with respect to the underlying Note it represents.

The Tokenholder(s) will be registered in the register of the Notes as holder of the respective Notes.

The Issuer is not responsible for any potential value fluctuations between reference currency of the Tokens and the one of the Notes. The prospective Tokenholders are aware and fully understand such conversion risk before investing.

Conversion Risks and/or exchanges costs are to be borne by the Tokenholders.

**Final Terms dated [●]**

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes 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 in the European Economic Area ("EEA"). 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 Directive 2014/65/EU ("MiFID II"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), 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 Directive 2003/71/EC (as amended or superseded, the Prospectus Directive). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

Final Terms dated [●]

MRB SECURITIES

*Securitisation Fund*

*Organised under the laws of Luxembourg*

*Represented by MRB MANAGEMENT Sàrl, its Management Company*

*Compartment : [insert name compartment]*

*RCSL: [insert RCSL]*

*Legal Entity Identifier LEI (Securitisation Company): [add lei number]*

Issue of [●]

Of Series of Notes "[●]"

Tranche : [●]

under the

**MRB SECURITIES Note Programme**

**Upto 2.000.000.000,00 Eur of Notes**

## PART A – CONTRACTUAL TERMS

The Notes issued by the Issuer will be subject to the Conditions and also to the following terms (the "**Final Terms**") in relation to the Notes.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Private Placement Memorandum dated [●] which together constitute[s] a private placement memorandum (the "**Private Placement Memorandum**"). For the purpose of these Final Terms, references to Final Terms in the Private Placement Memorandum shall be read and construed as references to Final Terms in respect of the Notes. This document constitutes the applicable Final Terms of the Notes and must be read in conjunction with the Private Placement Memorandum. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these applicable Final Terms and the Private Placement Memorandum.

(Note: Headings are for ease of reference only.)

### SERIES DETAILS

1	(i)	Issuer:	MRB SECURITIES S.F., represented and managed by its management company MRB MANAGEMENT SARL (the "Management Company"), acting for and on behalf of the Compartment below
	(ii)	address:	2C, Parc d'Activités, L-8308 Capellen
	(iii)	Compartment	[insert name of the compartment]
2	(i)	Series Designation:	[insert the Series number]
	(ii)	Tranche Designation:	[insert the Notes number]
		If the Notes to be consolidated with Notes of an existing Series:	[yes] [no] [insert Series Designation]
3		Currency:	[insert the currency of issuance of the Notes]
4		Aggregate Nominal Amount of Notes:	
	(i)	Series	[insert the aggregate amount of the Series]
	(ii)	Tranche	[insert the aggregate amount of the Tranche]
5		Issue Price:	[insert the percentage % of the Nominal Amount per Note]
6		Denomination:	[insert the amount and currency]
7	(i)	Issue Date:	[insert the date]
	(ii)	Interest Commencement Date:	[Not Applicable] or [Issue Date] or [specify the date]
8		Maturity Date:	[insert the date]
9		Governing Law	Grand Duchy of Luxembourg
10		Status of the Notes	[Unsecured]

		[Secured - See Section applicable to Secured Notes/Secured Property provisions below]
11	Date of Board approval for issuance of Notes:	[Not Applicable] [Insert the date]
12	Type of Notes	[Fixed Rate Notes] [Floating Rate Note] [Zero Coupon Note] [Tracker Certificate]
13	Interest Basis:	[Not Applicable] or [insert percentage % Fixed Rate] or [Specify the reference rate plus / minus margin] or [Zero Coupon]  See Section Provision Relating to Interest (If Any) Payable
14	Redemption/Payment Basis / Final Redemption Amount:	Unless previously redeemed, the Issuer shall redeem the Notes on the [Maturity Date] in accordance with the following provisions in respect of each Notes:  [at Par]  [Denomination x [insert percentage] %]  [insert other provisions]
15	Early Redemptions :	[Not Applicable] [Applicable]
	(i) Issuer's early redemption option:	[Not Applicable] [Applicable] [Add provisions/conditions]
	Notice Period:	[insert the number of days]
	Minimum or maximum Redemption Amount :	[insert the redemption amount(s)]
	Optional Redemption Amount;	Unless previously redeemed, the Notes may be early redeemed on the Option Redempton Date in accordance with the following provisions in respect of each Notes:  Specified Denomination x [Insert percentage] %  [Final Redemption Amount calculated on the valuation date linked to the relevant Optional Redemption Date]  [Market Value]
	Optional Redemption Date(s)	[insert the date(s)]
	(ii) Noteholder's early redemption option:	[Not Applicable] [Applicable] [Add provision/conditions]
	Notice period:	[insert the number of days]
	Minimum or maximum Redemption Amount :	[insert the redemption amount(s)]
	Optional Redemption Amount;	Unless previously redeemed, the Notes may be early redeemed on the Option Redempton Date in accordance with the following provisions in respect of each Notes:  Specified Denomination x [Insert percentage] %

	[Final Redemption Amount calculated on the valuation date linked to the relevant Optional Redemption Date]
	[Market Value]
Optional Redemption Date(s)	[insert the date(s)]
(iii) Automatic early Redemption Amount(s)	[Not Applicable] [Applicable]
Automatic Redemption Amount;	Unless previously redeemed, the Notes may be early redeemed on the Automatic Redemption Date in accordance with the following provisions in respect of each Notes:  Specified Denomination x [Insert percentage]%
	[Final Redemption Amount calculated on the valuation date linked to the relevant Automatic Redemption Date]
	[Market Value]
Automatic Redemption Date(s)	[insert the date(s)]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions:	[Not Applicable] [Applicable]  (if not applicable delete the remaining subparagraph)
	Rate of Interest	[Insert the percentage] [[Insert the percentage]% [per annum] [payable [annually] [semi-annually] [quarterly] [monthly] in arrear [at Maturity Date].] [up to and including [insert date]
	Business Day Convention:	[In respect of Unadjusted Fixed Rate Notes: Not Applicable]  [In respect of Adjusted Fixed Rate Notes, insert one of the following business day convention: [Following Business Day Convention] [Preceding Business Day Convention] [Modified Following Business Day Convention]]
	Fixed Coupon Amount(s)	[Unless previously redeemed, on [each] [the] Interest Payment Date, the Issuer shall pay to the Noteholders, for each Note, an amount determined by the Calculation Agent as follows:]  [[Insert the currency and the amount] per Note of [Insert the currency and the amount] Specified Denomination] [[Insert the currency and the amount] per Calculation Amount] [Rate of Interest x Specified Denomination [x Day Count Fraction]]
	Day Count Fraction:	[Not Applicable] [Actual/Actual (ICMA)] [30/360 convention] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [360/360 convention] [Bond Basis] [30E/360 (ISDA)]
	Broken Amount(s)	[[Insert the currency and the amount] per Specified Denomination] [[Insert the currency and the amount] per Calculation Amount], payable on the Interest Payment Date falling on [Insert the date]

	Determination Date(s)	[Not Applicable] [[Insert the determination date(s)] [in each year]]
17	Floating Rate Note Provisions:	[Not Applicable] [Applicable]  (if not applicable delete the remaining subparagraph)
	Floating Coupon Amount:	[Unless previously redeemed, on [each] [the] Interest Payment Date, the Issuer shall pay to the Noteholders, for each Note, an amount determined by the Calculation Agent as follows:]  [Specified Denomination x [Max((insert the relevant percentage); [Min((insert the relevant percentage); [Reference Rate] [x insert the relevant leverage factor] [+/- insert the relevant percentage]))][x Day Count Fraction]]
	Interest Payment Date(s)	[insert the interest payment date(s)]
	Business Day Convention:	[Floating Rate Convention] [Following Business Day Convention] [Preceding Business Day Convention] [Modified Following Business Day Convention] [adjusted] [unadjusted]
	Business Centre(s):	[Not Applicable] [Insert the business centre(s)]
	Method of determination of the Rate of Interest and Interest Amount	[insert the method]
18	Zero Coupon Note Provision(s)	[Not Applicable] [Applicable]  (if not applicable delete the remaining subparagraph)
	Amortisation Yield:	[Insert the accrual yield] [[Insert the percentage]% per annum]
	Redemption Amount:	[insert the reference price]
19	Tracker Certificates:	[Not Applicable] [Applicable]  (if not applicable delete the remaining subparagraph)
	Method of calculation of the Redemption Amount at Maturity Date:	[insert here the method]
	Underlying Asset(s) tracked by the Tracker Certificate:	[insert the brief description of the assets, maturity, Index, counterparty or any other conditions] See section below "Underlying Assets"
	Description of the Index	[Not Applicable] [insert the description of the Index]
	Method of determination of the Rate of Interest and Interest Amount	[Not Applicable] [insert the method]
	Interest Payment Date(s)	[Not Applicable] [insert the interest payment date(s)]

## UNDERLYING ASSETS

20	(i)	Type of Underlying Assets:	[insert the type of assets]
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[receivable] [Mortgage] [Equipment loans or lease of machinery]  
[Intellectual Property Rights] [Real estate] [Financial Instruments]  
[Derivatives instruments] [Private Equity investment] [Commodity]  
[Basket of assets] [Index]

(ii) Description of the Underlying Assets: [insert here the description of the Underlying Assets, counterparty, date of agreements, etc]

The amount of the Underlying Assets invested by the Issuer [insert here]  
The legislation governing such Underlying Assets [insert here]  
The terms and conditions of transfer of such Underlying Assets if any [Not Applicable] [insert here]  
The expiry or maturity date of the Underlying Assets [Not Applicable] [insert here]  
If such Underlying Assets are covered by one of several insurance and a short description of such insurance [Not Applicable] [insert here]  
The description of the criteria for accepting additional Underlying Assets to a Compartment or replacing such assets [Not Applicable] [insert here]  
In case of single Underlying Asset or of several underlying contract, the description of the counterparty [Not Applicable] [insert here]  
Where a material portion of the Underlying Assets are secured on or backed by a real estate property [Not Applicable] [insert here]  
A valuation report of the property setting out the valuation and the cash flow stream (together with the name of the expert) [Not Applicable] [insert here]  
If a relationship exists that is material to the issue, between the Issuer, guarantor and obligor, details of the principal terms of that relationship. [Not Applicable] [insert here]

21 In case of securitisation of shares or fund units: [Not Applicable] [Applicable]

Information about past and future performance and its volatility, [Not Applicable] [Need to include details of the relevant website or screen page where information on past and future performance and volatility can be obtained]

The name of the market where such asset is admitted to trading, [Not Applicable] [insert here]

The ISIN number or other reference [Not Applicable] [insert Isin Number or similar]

More than 10% of the Underlying Assets are shares/units which are not admitted to trading on a EU regulated market or such other equivalent market [Not Applicable] [insert here]

22	Other information relating to the Underlying Assets:	[Not Applicable] [Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information]
23	Recourse to leverage and borrowing	[Applicable] [Not Applicable]
24	Acquisition/disinvestment of the Underlying Assets:	[describe the method of acquisition / disinvestment of the Underlying Assets]
25	Provision related to Secured Notes/ description of the Secured Property:	[Applicable] [Not Applicable]
	Type of Secured Property:	[insert the type of asset/right]  [Sum] [Rights] [Receivable] [Mortgage] [Equipment loans or lease of machinery] [Intellectual Property Rights] [Real estate] [Financial Instruments] [Derivatives instruments] [Private Equity investment] [Commodity] [Basket of assets] [Index] [Guarantee]
	Counterparty::	[insert the name and reference to such persons]
	Custodian of the Secured Property:	[Not Applicable] [insert the name of the custodian of such Secured Property]
	Currency of the Secured Property :	[insert the currency]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

26	Financial Centre(s)	Luxembourg
27	Form of Notes:	[Registered] [Bearer]
	Classic Global Notes;	[Yes] [No]
	New Global Note (NGN -Bearer notes) :	[Yes] [No]
	New Safekeeping Structure (NSS – registered notes):	[Yes] [No]
28	Agents and Security Trustee	
	(i) Calculation Agent	Creatrust Sàrl, Luxembourg
	(ii) Account Bank –Custodian	[Non Applicable] [insert name + Address]
	(iii) Paying & Settlement Agent	[Non Applicable] [insert name + Address]
	(iv) Security Trustee	[Non Applicable] [insert name + Address]
	(v) Listing Agent	Not Applicable



(vi) Arranger	[Non Applicable] [insert name + Address]
(vii) Auditors	[Non Applicable] [insert name + Address]
(viii) Central Administration	Creitrust Sàrl, Luxembourg
(ix) Portfolio Manager	[Non Applicable] [insert name + Address]
(x) Investment Advisor	[Non Applicable] [insert name + Address]
(xi) Index Provider	[Non Applicable] [insert name + Address]
(xii) Registrar / Transfer Agent	[Non Applicable] [insert name + Address]
(xiii) Servicer	

## RESPONSIBILITY

*The Issuer accepts responsibility for the information contained in this document and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.*

Signed on behalf of the Issuer:

By: For the Issuer, the Management Company:

[\*]

[\*]

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## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING:

Listing : [If no listing: None] [Application will be made for the Notes to be listed on [the official list of the Luxembourg Stock Exchange]

Admission to trading: [In the case of an admission to trading on a professional segment of the Euro MTF market trading on [In the case of an admission to trading on a European Union [the regulated market of the Luxembourg Stock Exchange] [Insert other regulated market]]

[There can be no assurance that the listing and trading of the Notes will be approved with effect on [the Issue Date] or at all.]

Estimate of total expenses related to admission to trading: [Not Applicable] [Insert the amount of the total expenses]

### 2. RATINGS:

The Notes to be issued have [not] been rated [Specify the rating(s) of the Notes] being issued] [by [Specify rating agency(ies)].]

[If credit ratings are assigned to Notes at the request or with the cooperation of the Issuer in the rating process, need to include a brief explanation of the meaning of the rating if this has previously been published by the rating provider.]

[such credit rating[s] [has been] [are] issued by [a] credit rating agency[ies] established in the European Union, registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009 (as amended) and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website

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

[Save for any fees [of [insert relevant fee disclosure]] payable to the Management Company [so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Management Company and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.]/[Description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest]

### 4. CONFLICT OF INTEREST

[description of the conflict of interest]

### 5. REASONS FOR THE OFFER AND USE OF PROCEEDS:

Reasons for the offer and use of proceeds : [Not Applicable] [Specify the use of proceeds]  
(If the issuer is aware that the estimated proceeds will not be sufficient to finance all intended uses, indicate the amount and source of the necessary additional funds).

Estimated net proceeds: [Not Applicable] [Insert the estimated net proceeds]

Estimated total expenses: [Not Applicable] [Insert the estimated total expenses]

## 6. INDICATION OF YIELD AND HISTORIC INTEREST RATE

Indication of yield (Fixed Rate Notes only) [insert percentage]%

Historic Interest Rate (Floating Note only) [insert percentage]%

## 7. OPERATIONAL INFORMATION

ISIN Code: [insert code]

Common Code: [insert code]

For fungible securities only:

Temporary ISIN code [insert code]

Temporary common code [insert code]

Notes are intended to be held in a manner which YES/ NO

would allow Eurosystem eligibility

Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

Clearing system(s) Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. Luxembourg

Common Depository / [Not Applicable] [Insert name]

Common Safe Keeper

Any relevant identification number(s): [insert code]

Legal Entity Identifier (LEI)

Delivery of Notes: Delivery [against] [free of] Payment

Address and Contact of the Issuer	Telephone : [add] Fax : [add] Attention : [add] Email : [add]
TEFRA Rules:	[TEFRA C / D / Not Applicable]
Prohibition of Sales to EEA and to UK Retail Investors:	[Applicable] [Not Applicable] [Applicable] [Not Applicable]
Name and address of the entity or the entities which have a firm commitment to act as intermediary(ies) in secondary trading, providing liquidity through bid and offer rates and description of the main terms of its or their commitment:	[insert name and address]

8. **SPECIAL PROVISIONS AND COMMENTS**

Minimum investment in the Notes:	[Not Applicable] [Insert the minimum investment] [Not Applicable] [insert amount]
Minimum trading amount :	[Not Applicable] [Insert the minimum trading or, in the [Not Applicable] [insert amount] [Not Applicable] [insert amount]
United States Tax Considerations	[Insert if the Issuer has determined that the Notes are NOT subject to the provision of the Section 871(m) Regulations.]
Section 871(m) Withholding Tax	[Insert if the Issuer has determined that the Notes are subject to the provision of the Section 871(m- Regulations)] The Issuer has determined that this Notes substantially replicates the economic performance of one or more U.S. Underlying Equities [(and as such, for the purposes of IRS Notice 2020-2, such Notes is deemed a "delta-one" Notes) and is therefore subject to the provision of the Section 871(m) Regulations. [Section 871(m) Regulations' withholding tax will be at a rate of [●] per cent. And will be withheld by [specify].] [Insert if the Section 871(m) determination cannot be made on the date of the Final Terms: This information is indicative and will be updated based on circumstances at the time the Notes are issued.] [Insert if the Issuer has determined that the Notes are Zero Estimated Dividends Securities: The Issuer has determined that this Note is a Zero Estimated Dividends Security and as such, for the purposes of Treas. Reg. § 1.871-15(i)(2)(iii), the withholding tax to be applied to this Note is zero.] [specify whether any additional U.S. withholding tax is applicable]
SFDR – ESG disclosures – Second Party opinion	The Issuer does [not] promote environmental or social characteristics nor have sustainable investment as an objective in respect of this Note issuance.

If it promotes environmental or social characteristics nor have sustainable investment as an objective in respect of this Note issuance.

As per the EU Taxonomy regulation, the Issuer complies with the four conditions that an economic activity are to meet and the Notes should be recognised as Taxonomy- aligned.

The Notes shall only finance the Eligible Project which is:

- making a substantial contribution to at least one EU Environmental objective (climate change mitigation, climate change adaptation, sustainable use of water and marine resources, pollution prevention to a certain extent);
- doing no significant harm to any other environmental objective;
- complying with minimum social safeguards;
- complying with the technical screening criteria.

The Project will [add description of the Eligible Project].

[No] [an] index has been designated as a reference benchmark for the purpose of attaining such environmental characteristics promoted by the Notes.

The criteria of investment in the Project has been designed by the Issuer to meet the 2021 ICMA Green Bond Principles and be aligned with the United Nations Sustainable Development Goals as at the date of issuance of the Notes.

[add name of SOP provider] has provided a second party opinion in which they have stated their belief that the Issuer complies with the core principles and key recommendations of the 2021 ICMA Green Bond Principles (applicable as at the date of issuance of the Notes).

Such opinion is solely in relation to the proposed use of proceeds and does not apply in respect of the payoff terms of the Notes.

The Issuer will publish an investor report at least annually

It is intended that each investor report will be accompanied by an independent assurance report on the respect of the criteria of investment in the Eligible Project.

Diagram of the Securitisation Transaction

[insert company structure and organisation chart of the Issuer and other counterparties]

## 6 SCHEDULE 1 – USE OF PROCEEDS / SECURITISATION TRANSACTION

Subject to the Securitisation Law, the Issuer acting through a distinctive Compartment will apply the net proceeds of an issue of Notes of any given Series to purchase or otherwise acquire the assets specified in the Final Terms of such Series (and to pay for or enter into any ancillary transaction in connection with the issue of such Notes or acquisition of such assets) as well as towards paying general expenses in connection with the administration of the Issuer, the issue of the Notes or acquisition of the Underlying Assets as described in the relevant Final Terms as described in the relevant Final Terms.

The expenses of the Issuer, including all fees payable to the Paying Agent, the Security Trustee and other parties, will in principle be met on a Series-by-Series basis.

The Issuer may enter into “true sale” securitisation(s) and “synthetic” securitization(s) as specified in the Final Terms by which the Issuer will acquire or assume, directly or through another undertaking, risks relating to claims, other assets, or obligations assumed by third parties or inherent to all or part of the activities of third parties and issue Notes, whose value or yield depends on such risks.

The Issuer may at any time hedge or cover the risks linked with the Underlying Assets by using derivative products.

The Issuer may also choose to replicate an Index or an investment strategy developed, created or managed by a third party Index Provider.

As described in the relevant the Final Terms, the Issuer may not have recourse to loan, borrowing nor use any leverage to enhance the performance of a Compartment and it may borrow to create necessary liquidity or due to unexpected reasons in order to achieve a Securitisation Transaction’s objective.

Depending on which type of allocation of each Series of Notes, the Issuer will end the securitisation transaction following one of these rules:

- a) if the Issuer has invested into one or several of specific Non-Fungible Assets as specified in the Final Terms:

In such a case the Issuer will keep such Non-Fungible Asset(s) for the whole duration of the Series of Notes until the Maturity Date or the Redemption Date and the Issuer will use the proceeds of the disposal of such asset(s) to redeem the Series of Notes, or

- b) if the Issuer has invested into a specific asset class/allocation of which the assets are fungible:

If some Underlying Assets reach maturity before the Maturity Date of the Series of Notes, the Issuer will keep a constant exposure to this specific asset class/allocation for the whole duration of the securitization transaction by replenishing the Compartment with the same fungible Underlying Assets. The Issuer will dispose of the Underlying Assets to create liquidity to redeem the Series of Notes near their Maturity Date, or

- c) if the Issuer will be required to invest into a portfolio of specific assets or track or replicate a specific Index as specified in the Final Terms:

it will keep them till maturity, modify, rebalance or substitute the exposure to these portfolio of assets as indicated by the Index Provider and dispose of them near the Maturity Date of the Series of Notes. The Issuer will then use the proceeds of the sales of these assets to reimburse the Noteholders.

Should the Issuer be forced to create liquidity to allow an early redemption of a whole or part of a Series of Notes, the Issuer may decide to charge an anti-dilution levy if the disposal of the Underlying Assets has caused a loss for the remaining Noteholders of the same Compartment.

The type of Underlying Assets in which the Issuer will invest the net proceed of a specific Series of Notes will be described in the relevant Final Terms.

Such Underlying Assets may be :

- a. Receivables in which case the Issuer will grant a loan to companies in link with the investment policy (the "Investment Policy") of the Issuer;
- b. Mortgages on infrastructure projects in link with the Investment Policy;
- c. Equipment loans and leases of machinery granted to companies within the framework of the Investment Policy of the Issuer;
- d. Intellectual Property Rights: in which case the Issuer, within the framework of its Investment Policy, will purchase some intellectual property rights and will grant a third the right to use such rights over period of time;
- e. Real estate : in which case the Issuer will invest in the infrastructure project in link with its Investment Policy in development in the vie to resell such project to a third party or keep such project to be rented to a third party or used in another manner by such third party;
- f. Financial instruments : which can be bonds, notes, shares of any kind issued by a third part. It can also a shares, units or a partnership interest in an investment fund considering that that complies with the Issuer's Investment Policy;
- g. Derivatives instruments : futures contracts, contract of difference, forwards contracts, options, warrants of any kind which are linked directly or directly with the Investment Policy;
- h. Private Equity investment : in which case the Issuer will co-invest into an dedicated project in link with its Investment Policy;
- i. Commodity: in which case the Issuer will invest directly or indirectly or via a derivative instruments in commodities;
- j. Basket : in which case the Issuer will select a list of the Underlying Assets listed above;
- k. Index : a formula or an asset allocation which comprise an exposure on one or several of the Underlying Asset listed above;
- l. If a relationship exists that is material to the issue, between the Issuer and third parties, details of the principal terms of that relationship;
- m. In case of a single Underlying Asset, please specify that the following elements/details :
  - Legal and commercial name and LEI of the entity, date of incorporation, length of life, domicile and legal form, legislation under which it operates, country of incorporation, address of its registered office/principal place of business; brief

description of the entity's principal activities (in case of an entity performing mining, extraction of hydrocarbons, quarrying or similar activities, description of the deposits, estimate of economically exploitable reserves and expected period of working, indication of the periods and main terms of concessions and the economic conditions for working them, Indication of the progress of actual working; description of the group and Issuer's position within it;

- Names, business addresses and functions of the entity's members of the administrative, management or supervisory bodies an indication of the principal activities performed by them; inclusion of the audited financial statements of the entity for the last two financial years (may not be older than 18 months) and any interim financial statements available;
  - Names and addresses of the Issuer's auditor(s) for the period covered by the historical financial information;
  - Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the securities to investors
- n. Digital assets: investment in crypto currencies, crypto funds and tokens (including Simple Agreement for Future Token - SAFT);
- o. Cash management: holding of cash that could be invested in investment in money market instruments or any other interest bearing financial instruments in order to mitigate risks (including but not limited to counterparty risk and of currency risk);
- a. Investment in alternative investment funds or via feeder structures.

For each of those the relevant Final Terms of the Series of Notes will describe:

- The type of Underlying Assets selected by the Issuer;
- The amount of the Underlying Assets invested by the Issuer;
- The legislation governing such Underlying Assets;
- The terms and conditions of transfer of such Underlying Assets if any;
- The expiry or maturity date of the Underlying Assets;
- If such Underlying Assets are covered by one of several insurance and a short description of such insurance;
- The description of the criteria for accepting additional Underlying Assets to a Compartment or replacing such assets;
- In case of single Underlying Asset or of several underlying contract, the description of the counterparty;
- Where a material portion of the Underlying Assets are secured on or backed by a real estate property;
- A valuation report of the property setting out the valuation and the cash flow stream (together with the name of the expert);
- In case of securitisation of shares or fund units, the relevant Final Terms will indicate information about past and future performance and its volatility, the name of the market where such asset is admitted to trading, the ISIN number and where more than 10% of the Underlying Assets are shares/units which are not admitted to trading;

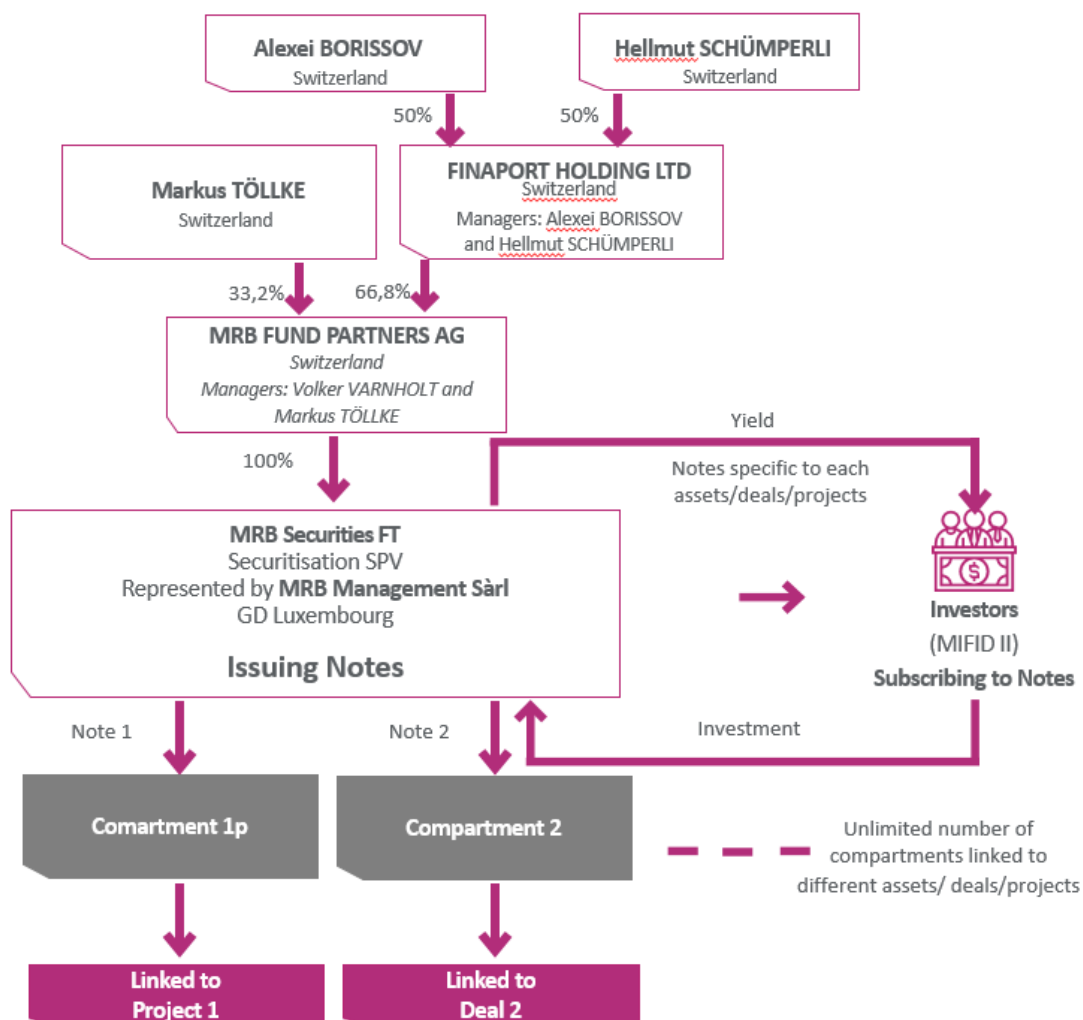


- If a relationship exists that is material to the issue, between the Issuer, guarantor and obligor, details of the principal terms of that relationship.

## 7 SCHEDULE 2 – DESCRIPTION OF THE ISSUER

### 7.1 General

The Issuer is structured as follows:



MRB MANAGEMENT Sàrl is a limited liability company (*société à responsabilité limitée*) under the Commercial Companies Law 1915 and a management company for securitisation fund company (*société de gestion de fonds de titrisation*) under and within the meaning of the Securitisation Law.

MRB MANAGEMENT Sàrl has been initially incorporated by a notary deed dated 24/07/2023 and is registered with the register of commerce and companies in Luxembourg under the number B279461.

MRB MANAGEMENT Sàrl in its capacity of Management Company has setup a Securitisation Fund named MRB SECURITIES (fonds de titrisation) which general management regulations (the “**Management Regulations**”) has been registered under the register of commerce and companies in Luxembourg under the number O72.

MRB SECURITIES is therefore a Securitisation Fund established and created under Luxembourg laws for an unlimited duration pursuant to the provisions of the Law of 22 March 2004 as amended and also subject to the law of 27 July 2003 on trust and fiduciary contracts.

Assets and/or liabilities entrusted or allocated to the Securitisation Fund shall be strictly separated from assets and/or liabilities attributed to its Management Company.

The Arranger, that is MRB FUND PARTNERS AG, was founded in 1979 in Zurich. Supervised by the Swiss Financial Market Supervisory Authority (FINMA) as an asset manager of collective investments (since 2009) and as a representative of foreign collective investments in Switzerland, MRB guarantees compliance with the highest standards in asset management ("MRB"). We are experts in the structuring and the management of sophisticated investment solutions. MRB offers professional solutions within the scope of its regulatory authorization - including resources for portfolio management, compliance and risk management. MRB is 100% privately owned.

The Management Company has opted for the creation and the establishment of several compartments (the "**Compartments**"), each of the Compartments shall be constituted by a portfolio of assets and/or liabilities strictly segregated from each others.

Each compartment is subject to specific management regulations (the "**Specific Management Regulations**") issued by the Management Company with provisions that could differ from the General Management Regulations itself.

Each Compartment may have consequently distinctive features from the others including but not limited to the distribution policy of the assets.

The Management Company on behalf of the Securitisation Fund may create additional or new Compartment.

For each Compartment the Management Company will issue units (the "Units") representing the net assets of each Compartment. All Unitholders are entitled to an equal proportion in any profits, liquidation proceeds and dividends related to the Compartment thereof.

This Private Placement Memorandum set out the rules and Conditions of the issuance of Note and not the Units of the Compartment.

With regard to the management of the Securitisation Fund and pursuant to Article 5 of the General Management Regulations, the Management Company shall be invested with all powers and be entitled in particular to buy, sell, subscribe for, exchange, and receive any assets or risks and to exercise any right, directly or indirectly, pertaining to the assets or risks transferred to or acquired by the Securitisation Fund.

The Management Company shall determine the investment policy of the Securitisation Fund and for each Compartment as specified in each Specific Management Regulations and shall be subject to the limits set forth in Article 5 of the General Management Regulations.

The Management Company may decide that the assets in whole or in part entrusted to a Compartment may be invested indirectly through a company wholly owned or controlled by the Management Company.

The Management Company may have recourse to consultants, information services, and any other services relating to accountancy, book-keeping, domiciliation, valuation, asset valuation, custody, tax consultancy, audit, translation, publication, and administration which may differ for each Compartment.

The Management Company may also delegate, either wholly or in part, the management of the Securitisation Company's Underlying Assets to Portfolio Managers and may also have recourse to Index Provider or Investment Advisers' services. Such Portfolio Managers, Index Provider or Investment Advisers shall :

- Be appointed by a resolution of the Management Company;
- Be mentioned in the relevant Final Terms;

- Be selected and appointed based on their experience in the sector in connexion with the Underlying Assets held or to be held by the Compartment for which they would be / have been appointed.
- Demonstrate at any time their good standing, reputation and professional honourability
- Enter into respectively a portfolio management agreement, index provider agreement or investment advisory agreement with the Issuer in order to govern their appointment in respect of any Series of Notes where it is requested to provide services in relation with the Underlying Assets held or to be held by the respective Compartment.

All fees, commissions and charges relating thereto shall be exclusively borne by the relevant Compartment unless otherwise specified in the relevant Final Terms.

Management fees and any other remunerations to be paid to the Management Company as well as their respective frequency of payments shall be indicated in the Specific Management Regulations that will be issued for each Compartment.

The purpose of the Securitisation Fund is to acquire or to assume, either directly or through the intermediary of another undertaking, the risks associated with financial assets, equities, loans, credit, receivables, swaps, guarantees, commitments or cash flow generated by third party's activities (the "Underlying Assets"), by issuing Units or any type of securities which value and yield are linked with the Underlying Assets.

Taking advantage of the ring-fencing principle at Compartments' level, the Management Company will determine for each Compartment a distinctive investment strategy that shall be reflected in the Specific Management Regulations thereof.

The Management Company on behalf of the Securitisation Fund may also authorise to have recourse to techniques and instruments involving transferable securities, provided that they are conducted for the purposes of efficient cash or asset management, or that such techniques and instruments are intended to hedge currency and interest rate risk as part of the asset management, and that they are employed to hedge risks related to market fluctuations.

The Management Company is issuing one or several Series and tranches of Notes at the charge of one Compartment as specified in the Final Terms.

Each Compartment may therefore be involved into any securitisation transactions as permitted under the Securitisation Law and, to this effect, the Issuer may, inter alia, acquire or assume, directly or through another entity or vehicle, the risks relating to the holding or ownership of claims, receivables and/or other goods 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 whose value or return is linked to these risks. The Issuer may also assume or acquire those risks by acquiring, by any means, claims, receivables and/or assets, by guaranteeing the liabilities or commitments or by binding itself by any other means. It may also transfer, to the extent permitted by law, dispose of claims and other assets it holds, whether existing or future, in one or more transactions or on a continuous basis.

The registered office (*siège*) of the Issuer is currently situated at 2C, Parc d'activités, L-8308 Capellen, Grand Duchy of Luxembourg.

The Issuer can be reached by telephone at the following number: +352 277 299 99

The Issuer can be reached by email at the following address: [subscriptions@fundnav.lu](mailto:subscriptions@fundnav.lu)

## 7.2 Share capital

The share capital of the Management Company is EUR 12,000.00, divided into 1.000 fully paid shares in registered form with no nominal value.

The number of Units issued by each Compartment of the Securitisation Fund may vary and are not subject to any minimum or maximum.

## 7.3 Capitalisation and finance

The financial year of the Issuer coincides with the calendar year.

Because the Issuer is a (newly incorporated) securitisation fund, it does not have any (relevant) financial position or financial statements (yet). Save for the issue of Notes and their related arrangements, the Issuer should not have any borrowings, other forms of indebtedness or other contingent liabilities.

The Issuer has not (yet) published any financial statements and may opt not to prepare semi-annual or other interim financial statements subject to and in accordance with applicable law and regulation.

Audit Conseil Services Sàrl (ACSe) has been appointed as the statutory auditor (*réviseur d'entreprises agréé*) of the Issuer.

## 7.4 Managers

The management and administration of the Issuer is incumbent upon its Management Company, represented by one or several managers, who together form a board (the "Board of Managers"), which board may exercise all powers not reserved by law or the articles to the general meeting or any other body of the Issuer.

The following persons form the Board of Managers of the Management Company:

**MRB FUND PARTNERS AG**, a limited company incorporated under the laws of Switzerland, with registered office at Fraumünsterstrasse 11, Zurich 8001, Switzerland, registered with the Canton of Zurich registry under number CHE-105.241.600, supervised supervised by the Swiss Financial Market Supervisory Authority (FINMA) as an asset manager of collective investments (since 2009) ("MRB"). MRB FUND PARTNERS is duly represented by its managers, who are Mr. Markus Töllke and Mr. Volker Varnholt.

- **Mr. Markus Töllke** is a shareholder and CEO of MRB. Following an apprenticeship in banking (Commerzbank AG), studying business administration (Albertus Magnus University in Cologne) and 5 years as a portfolio manager at Delbrück & Co. - Privatbankiers - (Cologne), he joined Munich based Merck Finck & Co. - Privatbankiers - as head of asset management (2002-2008). Following he was CEO and CIO at investment boutique FIDUKA GmbH, founded by investor legend André Kostolany, in Munich where he was responsible for a range of funds in the equity and bond space. From 2011 to 2014, Markus was Head of Fund Management at a FINMA regulated asset manager in Berne (Investas AG) and personally managed two major Swiss pension funds.
- **Mr. Volker Varnholt** is Head of Business Development at MRB. After studying at the University of Lausanne (HEC) and the University of St. Gallen (HSG), he began his career in investment banking, as a fixed income trader - at Salomon Brothers in London and Deutsche Bank in Frankfurt. Since summer 2000 Volker lives and works in Zurich. At Julius Baer he worked for over 8 years as Head of Research, Head Portfolio Management Fixed Income and Wealth Management Advisory. In 2008 he moved to Clariden Leu Asset Management where he led the distribution of Clariden Leu funds into private banking. Before joining MRB, he worked in business development at the Zurich-based fund management company PMG Fondsmanagement AG.

The Management Company has in particular, the exclusive rights to:

- perform securitisations, within the meaning of the Securitisation Law, of risks associated to any kind of assets on behalf of the Issuer;
- issue securities of any nature and in any currency and, to the largest extent permitted by the Securitisation Law, pledge, mortgage or charge or otherwise create security interests in and over its Underlying Assets, property and rights to secure its obligations, on behalf of the Issuer;
- enter into any agreement and perform any action necessary or useful for the purpose of carrying out transactions permitted by the Securitisation Law, including, without limitation, disposing of its Assets in accordance with the relevant agreements;
- secure information pertinent to the Underlying Assets;
- procure research investigations, information and other investment advisory services from the Investment Advisor, the Index Provider, etc if any;
- appoint any other services providers to provide services to the Issuer; and
- appoint dealers and other intermediaries and execute any document necessary to this end.

The Management Company shall operate the Issuer within the terms and comply at all times with its obligations contained in the Issuance Documentation, and any applicable laws and other relevant legal requirements, in particular the Securitisation Law.

The members of the Board of Managers of the Management Company may be reached at their professional address which is at registered office (*siege social*) of the Issuer situated at 2C, Parc d'activités, L-8308 Capellen, Grand Duchy of Luxembourg.

## **7.5 Business**

The Issuer will carry out securitisation transactions within the meaning of the Securitisation Law and participate in any such transaction by assuming (acquiring) assets (risks) and/or by issuing securities to ensure the financing of the relevant transaction.

The Issuer may, on a transitional or a lasting but limited basis and subject to the Securitisation Law, its articles of association, the General Management Regulation of the Securitisation Fund and the Specific Management Regulation of each Compartment and any relevant Final Terms, borrow in order to pre-finance the acquisition of assets to be securitised and/or to improve investors' yield (and such borrowing is acceptable only if the Issuer also issues securities for a proportionally substantial amount within an appropriate timeframe). The main and determining purpose of the overall transaction within which any borrowing occurs must always be a securitisation, that is an economic transformation of risks into securities.

In specific circumstances, the Issuer may, subject to the Securitisation Law, its articles of association and any relevant Final Terms, grant loans instead of acquiring them on the secondary market.

The issuer will not issue securities to the public on a continuous basis within the meaning of the Securitisation Law as amended.

The Issuer will therefore not make more than three (3) issuances of Notes per year to investors assuming these 3 conditions are met at the same time :

- The issuance of the Notes is not made to Professional Client within the meaning of the article 1(5) of the law of 5<sup>th</sup> April 1993 on the financial sector, as amended, and
- The denomination of the Notes is less than 100.000,00 Eur and
- The issuance of the Notes is not carried out by way of private placement.

## **7.6 Compartments**

Under the Issuer's Management Regulation, the Issuer's Management Company may create one or more Compartments, each Compartment corresponding to a distinct part of the Issuer's assets and liabilities.

Each Compartment may be liquidated separately without such liquidation resulting in the dissolution or liquidation of any other Compartment (or the Issuer at large).

Each Series of Notes shall be issued by a separate Compartment of the Issuer and, by way of derogation from article 2093 of the Civil Code, the assets of a Compartment are exclusively available to satisfy the rights of the creditors of that Compartment (including the holders of the Notes issued by that compartment). Conversely, recourse of Compartment's creditors (including its Noteholders) is limited to the assets of that Compartment.

The Issuer's general expenses and liabilities, which do not specifically relate to any Compartment or Series of Notes or which otherwise relate to the general core of the Issuer, may be apportioned between the Compartments in such commercially reasonable manner as the Issuer's Management Company may determine in its sole discretion.

## **7.7 No proceedings**

There are no (nor have there been any) governmental, legal or arbitration proceedings pending (or threatened of which the Issuer is aware) against the Issuer.

## **7.8 No change**

Since the Issuer is a newly incorporated entity that has not carried on any business or carried on any activities yet, other than those which are incidental to the preparation of this Private Placement Memorandum, there is nothing to be mentioned in terms of any change in the financial or trading position of the Issuer.

## **7.9 Legal Entity Identifier LEI**

The Legal Entity Identifier (LEI) is a 20-character, alpha-numeric code based on the ISO 17442 standard developed by the International Organization for Standardization (ISO). It connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions.

The LEI number of the Issuer (the Securitisation Fund) is 2138007ZV729OVJJW704

## **7.10 Arranger of the Issuance**

The Arranger of the issuance of the Notes is

MRB FUND PARTNERS AG

With registered office at

Fraumünsterstrasse 11

CH-8001 Zürich

Switzerland



## 8 SCHEDULE 3 - INFORMATION ON SECURITY ARRANGEMENTS

Subject to and in accordance with the applicable Final Terms, in respect of any single Series of Notes issued by a Compartment of the Issuer, among other things, a security interest in any and all securities and other financial instruments owned by such Compartment (at any time), together with any and all claims that such Compartment has or may assert against any party (at any time arising), may be created in favour of the Security Trustee for itself and on behalf of the relevant secured creditors identified in the Final Terms, as security for the financial obligations owed by the relevant Compartment of the Issuer to such secured creditors of such Series.

Unless otherwise specified in the applicable Final Terms, such security interest shall be in the form of:

- (a) a first fixed charge over the Underlying Assets and all property, assets and sums derived therefrom, in each case from time to time;
- (b) an assignment by way of security of all the Issuer's rights, titles and interests attaching or relating to the Underlying Assets and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- (c) an assignment by way of security of the Issuer's rights, title and interest against the Custodian and any relevant sub-custodian, to the extent that they relate to the Underlying Assets and/or the Notes;
- (d) an assignment by way of security of the Issuer's rights, title and interest under the Agency Agreement, the Custody Agreement and the Calculation Agency Agreement, to the extent they relate to the Underlying Assets and/or Notes;
- (d) an assignment by way of security of the Issuer's rights, titles and interests under the Custody Agreement, to the extent that they relate to any assets held by the Custodian and any relevant sub-custodian in respect of the Notes; and
- (e) a first fixed charge over all sums held by the Paying Agent to meet payments due in respect of any amount owed to a Secured Creditor under the relevant Series.

Specific information on security arrangements is to be specified in any relevant Final Terms.

## 9 SCHEDULE 4 - TAXATION

***Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.***

### 9.1 Luxembourg taxation

#### *Taxation of the Management Company*

The *Management Company* will be considered as a fiscal resident of Luxembourg from a Luxembourg tax law perspective and should therefore be able to obtain a residence certificate from the Luxembourg tax authorities.

The *Management Company* will be liable for Luxembourg corporation taxes. The current standard applicable rate in Mamer, including corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and solidarity taxes, is 28,69 per cent. Liability for such corporation taxes extends to the Issuer's worldwide profits including capital gains, subject to the provisions of any relevant double taxation treaty. The taxable income of the Issuer is computed by application of all rules of the Luxembourg Income Tax Law of 4 December 1967 (*Loi concernant l'impôt sur le revenu*), as amended and currently applied by the Luxembourg tax authorities.

#### *Taxation of the Issuer*

The Issuer is the Management Company acting for and on behalf of the Compartment.

Each Compartment of the Securitisation Fund is incorporated as a contractual relation between the Management Company and the Unitholders.

The Notes are issued at the charge of one Compartment.

The Issuer is deemed to be tax transparent for Luxembourg tax laws.

It will not be considered as a fiscal resident of Luxembourg from a Luxembourg tax law perspective and should therefore not be able to obtain a residence certificate from the Luxembourg tax authorities.

Conversely, the Unitholders of the Compartment(s) may claim to be the holder of the portion of the assets and liabilities of the Compartment in which they hold Units.

The profits realised by the Compartment are not subject to tax in Luxembourg. However, in certain circumstances the Unitholders may be taxed in Luxembourg or abroad by transparency on some gains realized on some Luxembourg (foreign) based assets.

The payment of interests, coupons, premia upon redemption of some Notes are not subject to withholding taxes at source in Luxembourg but may in certain conditions not be deductible for some Unitholders in their country of residence,

The transfer or sale of securities of the Issuer will not be subject to Luxembourg registration or stamp duty.

The Issuer will not be subject to an annual minimum wealth tax (*impôt sur la fortune*) . Should such tax become applicable it would be apportioned between the Compartments.

#### *Taxation of non-resident Noteholders*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the

Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Non-resident Noteholders, who do not have a permanent establishment or fixed place of business in Luxembourg, to which the Notes are attributable, will not be subject to Luxembourg taxation with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Notes.

Gains realised by a non-resident Noteholder, who does not have a permanent establishment or fixed place of business in Luxembourg, to which the Notes are attributable, on the sale or disposal of Notes are not subject to Luxembourg income tax.

Noteholders will not be deemed resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

#### *Taxation of resident Noteholders*

Under the law of 23 December 2005, as amended (hereinafter the “Relibi Law”), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax lies with the Luxembourg paying agent. An individual beneficial owner resident in Luxembourg, acting the course of the management of his/her private wealth, may opt for a final withholding tax of 20 per cent on eligible interest income received from a paying agent established in a EU Member State, EEA State (Iceland, Liechtenstein and Norway). In case such option is exercised, such interest does not need to be reported in the annual tax return.

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

A Noteholder who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Notes are attributable, is subject to Luxembourg income tax in respect of the interest paid or accrued on, or any other income derived from, the Notes. An individual Luxembourg resident Noteholder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest or any other income received, except if withholding tax has been levied on such payments in accordance with the Relibi Law.

Under Luxembourg domestic tax law, gains realised by an individual Noteholder, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, on the sale or disposal, in any form whatsoever, of Notes are not subject to Luxembourg income tax, provided this sale or disposal took place at least six months after the acquisition of the Notes. An individual Noteholder, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, has further to include the portion of the gain corresponding to accrued but unpaid interest in respect of the Notes in his taxable income, except if (a) withholding tax has been levied on such payments in accordance with the Relibi Law, or (b) the individual Noteholder has opted for the application of a 20 per cent tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than an EU Member State).

Such withholding tax or self-applied tax on interest payment received by the Luxembourg individual resident taxpayers acting in the framework of their private wealth is a final tax liability.

Gains realised by a corporate Noteholder or by an individual Noteholder, who acts in the course of the management of a professional or business undertaking, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Notes are attributable, on the sale or disposal, in any form whatsoever, of Notes are subject to Luxembourg income tax.

A Luxembourg Noteholder that is governed by the Law on private wealth management companies of 11 May 2007, as amended by the Law on undertakings for collective investment of 17 December 2010, as amended, or by the Law on specialised investment funds of 13 February 2007, as amended, or by the law of 23 July 2016 on reserved alternative investment funds, as amended (to the extent that the Noteholder has not opted to be treated as an investment company in risk capital) will not be subject to any Luxembourg income tax in respect of interest received or accrued on the Notes, or on gains realised on the sale or disposal, in any form whatsoever, of Notes.

#### *Wealth tax*

A corporate Noteholder which is resident in Luxembourg for tax purposes or maintains a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the Noteholder is governed by the Law on private wealth management companies of 11 May 2007, as amended, by the Law on undertakings for collective investment of 17 December 2010, as amended, by the Law on specialised investment funds of 13 February 2007, as amended, or if the Noteholder is another securitisation company under the Securitisation Law or an investment company in risk capital under the law of 15 June 2004, as amended (both subject to an annual minimum wealth tax).

An individual Noteholder, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on Notes.

#### *Other taxes applicable to Noteholders*

Under present Luxembourg tax law, in the case where a Noteholder is a resident for tax purposes of Luxembourg at the time of his death, the Notes are included in his taxable estate, for inheritance tax purposes and gift tax may be due on a gift or donation of Notes, if the gift is recorded in a Luxembourg deed.

## **9.2 Proposed financial transactions tax**

The European Commission has published a proposal for a Directive for a common financial transactions tax ("FTT") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions are in principle exempt.

Under the current proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State.

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

## **9.3 CRS**

European Directive 2014/107/EU of 9 December 2014 ("Directive") amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, like other international agreements, such as those that have been or will be adopted in connection with the information exchange standard developed by the OECD (more generally known as the 'Common Reporting Standard' or 'CRS'), require participating jurisdictions to obtain information from their financial institutions and to exchange such

information as from 1 January 2016. The Directive has been implemented into Luxembourg law by the Law of 2015.

Accordingly, Noteholders may be required to provide information in relation to their identity and fiscal residence (and certain other information) in order to ascertain their CRS status and information regarding a Noteholder may be reported to the Luxembourg tax authorities.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

#### 9.4 DAC6

Additionally, on 25 May 2018, the Council of the European Union adopted Directive 2018/822 amending Directive 2011/16/EU as regards the mandatory automatic exchange of information in the field of taxation that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("DAC 6").

More specifically, the reporting obligation apply to cross-border arrangements that, among others, satisfy one or more "hallmarks" provided for in DAC6 (the "Reportable Arrangement").

In the case of a Reportable Arrangement, the information that must be reported includes the name of all relevant taxpayers and intermediaries, details on the hallmarks that make the arrangement reportable, a summary of the content of the Reportable Arrangement, the date on which the first steps of the arrangement were made or will be made, the value of the Reportable Arrangement as well as the identification of any EU Member States likely to be concerned by the Reportable Arrangement and any other person likely to be affected by the arrangement.

The reporting obligation rests in principle with persons that design, market or organise the Reportable Arrangement and professional advisors (intermediaries). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

The information reported will be automatically exchanged between the tax authorities of all Member States.

DAC 6 should have been implemented in the domestic laws of the Member States by 31 December 2019 and apply as from 1 July 2020 pursuant to the law of 25<sup>th</sup> of March 2020.

In light of the broad scope of DAC6, transactions carried out by the Issuer or Noteholder(s) may fall within the scope of DAC6 and thus be reportable.

#### 9.5 FATCA

The Foreign Account Tax Compliance Act ("**FATCA**") became law in the United States in 2010. It requires financial institutions outside the United States ("**foreign financial institutions**" or "**FFIs**") to pass information about "financial accounts" held by "specified U.S. persons", directly or indirectly, to the U.S. tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% (thirty percent) withholding tax is imposed on certain U.S. source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Issuer would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law relating to foreign account tax compliance of 24 July 2015 (the "**Luxembourg FATCA**") in order to comply with the provisions of FATCA rather than directly complying with the U.S. Treasury Regulations implementing FATCA.

Under Luxembourg FATCA and the Luxembourg IGA, it may be required to collect information aiming to identify direct and indirect Noteholders that are "Specified U.S. Persons" for FATCA purposes ("**FATCA**").

**reportable accounts**"). Any such information on FATCA reportable accounts will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the United States of America and the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996.

To ensure compliance with FATCA, Luxembourg FATCA and the Luxembourg IGA:

- (a) Noteholders may be requested to submit information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Noteholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Noteholder's FATCA status;
- (b) information concerning a FATCA reportable account under Luxembourg FATCA and the Luxembourg IGA may be reported to the Luxembourg tax authorities;
- (c) information concerning payments to Noteholders with FATCA status of a non-participating foreign financial institution may be reported to the Luxembourg tax authorities;
- (d) applicable U.S. withholding taxes may be deducted from certain payments made to a Noteholder in accordance with FATCA, Luxembourg FATCA and the Luxembourg IGA; and
- (e) any such personal information may be divulged to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The discussion on US taxation is not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer. The discussion was written to support the documentation of issuance of the Notes described herein. Each prospective Investor should seek advice based on such investor's particular circumstances from an independent tax advisor.

## **9.6 Dividend Equivalent Payment (Section 871(m))**

The Section 871(m) of the US tax code provides for a 30 per cent. withholding tax (subject to reduction under an applicable treaty) on "dividend equivalents" that are paid to foreign investors with respect to certain financial instruments that reference the performance of a United States equity. Under these rules, if a Note that is issued after 1 January 2017 provides for "delta-one" exposure to the performance of shares of a United States corporation, the Issuer will be obligated to impose United States withholding tax in respect of the actual dividends that are paid on the shares of the corporation (or corporations) that are referenced by the Note even if the Issuer do not actually transmit such amounts to the Noteholder. This tax will also apply if a Note provides for "delta-one" exposure to an index or basket that includes shares of a United States corporation, unless as discussed below, the index or basket constitutes a "qualified index". If the basket or index is not a "qualified index", the tax will only apply to the dividends on shares of the United States corporations that are included in the index. A Note will generally be treated as providing for a "delta-one" position if it provides for 100 per cent. participation in all of the appreciation and depreciation in the performance of the shares that are referenced by the Note during the term of the Note.

The Issuer will state in the Final Terms of any Series of Notes that references the performance of an equity, an index or a basket that includes an equity or an index if we have determined that the Note is subject to Section 871(m) withholding tax as of the issue date of the Note.

If a Note is subject to the Section 871(m) withholding tax described above, each dividend that is paid on a U.S. equity that is referenced by the Note will be subject to a withholding tax at the time that the dividend is paid (or, in certain cases, at the close of the quarter upon which the dividend is paid) even though the Issuer

will not make any distributions on such Note until the redemption or maturity of the Note. The Issuer will remit the withholding tax to the IRS. The Issuer will not reduce the amount that is due under the Note by the amount of the Section 871(m) withholding tax. Rather, the Issuer will be deemed to have paid the amount of the Section 871(m) tax to the Noteholder and then paid such amount on the Noteholder's behalf to the IRS. The Issuer expects, however, that as a general matter, any Note that is subject to the Section 871(m) tax will reference a net dividend index or basket in which the dividend amount that is included in the index or basket will be reduced by the amount of withholding tax that would be imposed on a direct foreign holder of the United States stocks that are referenced by the Note (which is the same rate as the Section 871(m) tax). In addition, the withholding tax rate that will be used to determine the Section 871(m) withholding tax as well as the net dividend that is included in the index or basket that is referenced by the Note will not take into account any reduced rate to which a Noteholder may be entitled under an applicable tax treaty. Furthermore, a Noteholder may not receive the necessary information reporting to enable you to claim a refund for the excess of the withholding tax over the tax that would be imposed under an applicable treaty. In addition, a Noteholder may not be able to claim a credit for the payment of the Section 871(m) withholding tax in the Noteholder's resident tax jurisdiction, and the Noteholder therefore should consult a tax advisor in such jurisdiction as to whether he/she/it will be able to claim such a credit. The withholding tax that the Issuer collects will completely satisfy a Noteholder's Section 871(m) tax liability and therefore no other withholding agent (including any financial intermediaries in the chain of ownership for the Note) will be obligated to impose any additional Section 871(m) tax with respect to the Note.

The Section 871(m) withholding tax will generally not apply to a Note that references a qualified index even if it is otherwise a "delta-one" Note. A "qualified index" is an index that is passive, diverse, widely used by numerous market participants, and that satisfies a number of technical requirements that are set forth in United States Treasury regulations. Even if an index otherwise constitutes a "qualified index", a Note may not be treated as referencing a "qualified index" with respect to a particular holder if the holder holds a related short position in one or more of the component securities in the index (other than a short position in the entire index, or a "de minimis" short position with a value of less than 5 per cent. of the value of the long positions in the index). Because of this possibility, custodians and other withholding agents may require a holder of a Note that references a "qualified index" to make representations or certifications regarding the nature of any short positions that it holds with respect to the components of the index, and it is possible that a custodian or other withholding agent will impose the Section 871(m) withholding tax if it does not receive a satisfactory representation or certification or if it otherwise concludes that you may hold a related short position described above.

In addition, a Noteholder may be subject to Section 871(m) even if it holds a Note that is not a "delta-one" Note under the rules described above if (a) the Noteholder's position under the Note would be "delta-one" when combined with other related positions that are held by the Noteholder or (b) if a principal purpose for the holder's investment in the Note is to avoid the application of Section 871(m), in which case a special Section 871(m) anti-abuse rule could apply to the Noteholder's investment in the Notes. In such a case, a United States alien Noteholder may be liable for Section 871(m) tax in respect of its Notes even when no withholding is required in respect of the Notes.

Furthermore, Notes that are issued on or after 1 January 2021 may be subject to Section 871(m) even if they are not a "delta-one" Security under the rules described above. It is possible that the IRS could assert that a Note that is issued before such date could be deemed to be reissued for tax purposes after 1 January 2021 upon (a) a rebalancing or adjustment of the asset, position, index or basket that is referenced by the Note or (b) a substitution of the issuer of a Note. In such a case, a Note that is originally issued before 1 January 2021 and is not "delta-one" (and is thus originally not subject to Section 871(m)) could be subject to Section 871(m) after the deemed reissuance.

The application of Section 871(m) to the Notes is complex, and there may be uncertainties regarding the application of Section 871(m) to the Notes. If you are a United States alien Noteholder, the Noteholder should consult his tax advisor about the application of Section 871(m) to his Notes.

In case any payments will be made to the Noteholders through Clearstream Luxembourg and Euroclear (the "ICSDs"), there will not be any withholding tax deducted or processed by the ICSDs.

Payments will be made in gross amounts.

## **9.7 Other jurisdictions**

Interest, dividend and other income realised by the Issuer derived from the Underlying Assets may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Issuer will pay since the amount of the assets to be invested in various countries and the ability of the Issuer to mitigate such taxes is not known.

The information set out above is a summary of those tax issues which could arise in Luxembourg and does not purport to be a comprehensive analysis of the tax issues which could affect a prospective subscriber in the Notes. It is expected that Noteholders may be resident for tax purposes in many different countries. Consequently, no attempt is made in this Private Placement Memorandum to summarise the tax consequences for each prospective investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of the Notes. These consequences will vary in accordance with the law and practice currently in force in an investor's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances.

## **9.8 Future changes in applicable law**

The foregoing description of Luxembourg tax consequences of an investment in the Notes is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Issuer to income taxes or subject Noteholders to increased income taxes or withholding taxes.



## 10 SCHEDULE 5 - SUBSCRIPTION AND SALE

### 10.1 Subscription

The Issuer may enter into distribution agreements with distributor(s) in respect of each issue of Notes, pursuant to which the distributor will, among other things, subscribe for the relevant Notes and may agree to procure purchasers for such Notes or to otherwise sell the Notes subsequent to their subscription.

### 10.2 Public offer

The offer of Notes to the public in a Member State of the European Union and/or the European Economic Area shall require the Issuer to publish a prospectus (or supplement an existing prospectus) pursuant to the Prospectus Regulation and the Prospectus Law. It is not anticipated that the Issuer will offer Notes to the public.

### 10.3 U.S. selling restriction

**In regards to Regulation S, the definition of a US Person excludes any individual (or entity) not residing in (or organized under the laws of) the United States.**

The Notes have not been and will not be registered under the U.S. Securities Law, and may not at any time be offered, held or sold within the United States or to, or for the account or benefit of, any person who is (a) a U.S. person as defined in Regulation S under the U.S. Securities Act or (b) not a Non-United States person as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, but excluding for purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons.

The Notes are subject to U.S. tax law requirements and may not at any time be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations (but excluding for purposes of U.S. Treasury Regulations §1.163-5(c)(2)(i)(D), transactions that would permit resale of the Notes after the expiration of the restricted period to a person who is within the United States or its possessions or to a United States person).

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (the "Code") and regulations promulgated thereunder. The relevant Final Terms will identify whether the TEFRA C Rules or TEFRA D Rules apply or whether TEFRA is not applicable.

Each dealer to be appointed under the Programme will be required to agree that, it will not offer, sell, in the case of Bearer Note or deliver, the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date of an identifiable tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

This Private Placement Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and its dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Private Placement Memorandum does not constitute an offer to any person in the United States. Distribution of this Private Placement Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person

within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

The Notes are not appropriate for any person (natural, corporate or otherwise) who is (or who receives a guarantee or other credit support with respect to its obligations thereunder from) a “U.S. Person”. For this purpose, “U.S. Person” includes any person or entity that is either (1) a “U.S. person” as defined under Regulation S of the United States’ Securities Act of 1933, as amended or (2) a “U.S. person” under any of the 2013 Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations issued by the U.S. Commodity Futures Trading Commission (the “CFTC”), Section 240.3a71-3(a)(4) of the regulations of the U.S. Securities and Exchange Commission (the “SEC”) or under any rule, regulation, guidance or interpretation of the CFTC or the SEC promulgated or issued on or after the date hereof (as amended). For the avoidance of doubt, “U.S. Person” as used herein includes, without limitation any U.S. resident, corporation, company, partnership or other entity established under the laws of the United States. Accordingly, the Notes may not be offered, sold, assigned, transferred or distributed (in whole or in part) to any U.S. Person (or to any person or entity that receives a guarantee or other credit support with respect to its obligations thereunder from a U.S. Person).

With regards to TEFRA, for the terms used in this Private Placement Memorandum and the relevant Final Terms :

“TEFRA” means United States Tax Equity and Fiscal Responsibility Act of 1982,

“TEFRA C Rules” means U.S. Treasury Regulation §1.163-5(c)(2)(i)(C),

“TEFRA D Rules” means U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D).

Where the relevant Final Terms for Bearer Notes specifies that the TEFRA D Rules are applicable, the Bearer Notes will be issued in accordance with the provisions of the TEFRA D Rules.

Where the relevant Final Terms of a Bearer Notes specifies that the TEFRA C Rules are applicable, the Bearer Notes will be issued in accordance with the provisions of TEFRA C Rules.

Where the relevant Final Terms specifies that TEFRA is not applicable, the Notes will not be issued in accordance with the provisions of either the TEFRA D Rules or the TEFRA C Rules if the Notes do not have a maturity of more than 365 days.

Where the TEFRA D Rules are specified in the relevant Final Terms, the prospective Noteholder or purchaser of the Notes on any secondary market, as the case may be, will represent, warrant and undertake to the Issuer that:

(a) except to the extent permitted under the TEFRA D Rules, (i) it has not offered or sold, and during the restricted period will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and will not deliver within the United States or its possessions Notes in definitive form that are sold during the restricted period;

(b) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(c) if such Noteholder is acquiring the Notes for purposes of resale in connection with their original issuance and, if such Noteholder retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6);

(d) with respect to each affiliate (if any) that acquires from such Noteholder Notes for the purposes of offering or selling such Notes during the restricted period, such Noteholder will undertake to the Issuer that it will obtain from such affiliate for the benefit of the Issuer the representations, warranties and undertakings contained in sub-clauses (a), (b) and (c); and

(e) such Noteholder shall obtain for the benefit of the Issuer the representations, and agreements contained in sub-paragraphs (a), (b), (c), and (d) of this paragraph from any person other than its affiliate with whom it enters into a written contract (a "distributor") as defined in U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D)(4)) for the offer or sale during the restricted period of the Notes.

2. Where the TEFRA C Rules are specified in the relevant Final Terms as being applicable in relation to any Series of Notes, such Notes must in their original issuance, be issued and delivered outside the United States and its possessions and, accordingly, the Noteholder will represent, warrant and undertake to the Issuer that, in connection with the original issuance of the Notes:

(a) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions; and

(b) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Noteholder or such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Noteholder in the offer and sale of Notes.

#### **10.4 General**

Selling restrictions may be introduced or modified by an agreement of the Issuer and the distributor following a change in a relevant law, regulation or directive. Any such new selling restriction or modification of an existing one will be set out in a supplement to this Private Placement Memorandum.

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Private Placement Memorandum or any part thereof or any supplement to this Private Placement Memorandum or any other offering material, in any country or jurisdiction outside of the European Union and the European Economic Area where action for that purpose is required.

In each distribution agreement between the Issuer and distributor pursuant to which it subscribes for Notes, the distributor will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Private Placement Memorandum or any part thereof, any supplement to this Private Placement Memorandum or any other offering material, in all cases at its own expense unless otherwise agreed, and the Issuer shall not have any responsibility therefor.

#### **10.5 European Economic Area (EEA)**

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each parties, dealer, agent, prospective investor has represented and agreed, and each distributor appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Private Placement Memorandum as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

- (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), 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**”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms specifies “Prohibition of Sales to EEA Retail Investors” as “Applicable”, in relation to each Member State of the EEA, each dealer has represented and agreed, and each further distributor appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Private Placement Memorandum as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) 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
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any distributor 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 Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

## 10.6 United Kingdom

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

- (a) **No deposit-taking**: in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

- (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
- (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer.

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes to persons who (i) have professional experience in matters relating to investments, being investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "FPO"); or (ii) are high net worth companies, trusts or unincorporated associations falling within Article 49(2)(a) to (d) of the FPO; or (iii) are persons to whom this Base Memorandum may otherwise be lawfully communicated; such persons being collectively, "**Relevant Persons**". Readers of this Base Memorandum acknowledge and understand that Notes shall not be offered, sold or otherwise made available to and should not be relied upon by United Kingdom persons who are not Relevant Persons.

(c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## 10.7 Switzerland

The Notes may not be offered, sold, advertised or otherwise distributed, directly or indirectly, and neither this Private Placement Memorandum nor any other offering or marketing material relating to the Notes may be distributed or otherwise made available, in each case, in or from Switzerland, except (i) in the case of Notes that constitute structured products within the meaning of the Swiss Federal Act on Collective Investment Schemes (the "**CISA**"), to qualified investors as defined in article 10 of the CISA, and (ii) in the case of any other Notes, to a finite number of hand-picked potential investors who are approached on an individual basis. The Notes will not be listed on the SIX Swiss Exchange or any other exchange or regulated trading venue in Switzerland, and neither this Private Placement Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article

652a or article 1156 of the Swiss Federal Code of Obligations, a simplified prospectus as such term is understood pursuant to article 5 of the CISA or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other exchange or regulated trading venue in Switzerland.

The Notes do not constitute participations in a collective investment scheme in the meaning of the CISA. Therefore, the Notes are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.

## 10.8 Belgium

Unless the Final Terms in respect of any Notes specifies "*Prohibition of Sales to Belgian Consumers*" as "Not Applicable", each distributor has represented and agreed and each further distributor appointed under the Programme will be required to represent and agree that it has not offered or sold or otherwise made available and that it will not offer or sell or otherwise make available the Notes to consumers

(*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek economisch recht/Code de droit économique*).

## 10.9 Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (“CONSOB”) and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Private Placement Memorandum nor of any other document relating to any Notes be distributed in the Republic of Italy, except, in accordance with the exception provided under the Prospectus Regulation and any Italian securities, tax and other applicable laws and regulations.

Each distributor represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Private Placement Memorandum or any other document relating to the Notes in the Republic of Italy:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree no. 58 of 24 February 1998 (the “**Financial Services Act**”) and/or Italian CONSOB Regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Private Placement Memorandum or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”) and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time; and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Furthermore, where no exemption from the rules on public offerings applies, the Notes which are initially offered and placed in Italy or abroad to professional investors only but in the following year are ‘systematically’ distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under Prospectus Regulation, the Financial Services Act and the CONSOB’s implementing regulations, as amended from time to time. In accordance with Article 100-bis of the Financial Services Act, failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the purchasers of Notes who are acting outside of the course of their business or profession.

## 10.10 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”).

Accordingly, each distributor has represented and agreed, and each further distributor appointed under the Programme will be required to represent, and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

#### 10.11 Singapore

Each distributor has acknowledged, and each further distributor appointed under the Programme will be required to acknowledge, that this Private Placement Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each distributor has represented, warranted and agreed, and each further distributor appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Private Placement Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified in the Final Terms, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes to be issued under the Programme are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## 10.12 Hong Kong

The contents of this Private Placement Memorandum have not been reviewed or approved by any regulatory authority in Hong Kong. This Private Placement Memorandum does not constitute an offer or invitation to the public in Hong Kong to acquire the Notes. The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the companies ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the SFO) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of the issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed by or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO or any rules made thereunder. No person to whom a copy of this Private Placement Memorandum is issued may issue, circulate or distribute this Private Placement Memorandum in Hong Kong or make or give a copy of this Private Placement Memorandum to any other person. You are advised to exercise caution in relation to the offer. If the prospective Noteholder is in any doubt about any of the contents of this Private Placement Memorandum, you should obtain independent professional advice.

## 10.13 Indonesia

This Private Placement Memorandum is not a public offering within the meaning of the Indonesian Capital Market Law, Law no. 8 of 1995 (the **Capital Market Law**) and is not intended to become a public offering under the Indonesian Capital Market Law and regulations. Accordingly (i) this Private Placement Memorandum may not be distributed or passed on within the territory of the Republic of Indonesia or to persons who are citizens of Indonesia (wherever they are domiciled or located) or entities of or residents in the Republic of Indonesia in any manner which constitutes a public offering of securities under the Indonesian Capital Market Law and its implementing regulations; and/or (ii) the Notes may not be offered or sold, directly or indirectly, within the territory of the Republic of Indonesia or to Indonesian citizens (wherever they are domiciled or located), entities or residents in the Republic of Indonesia in any manner which constitutes a public offer of securities under.

## 10.14 Israel

This document has been prepared by the Issuer, which is not supervised or licensed by the Israel Securities Authority. No action has been or will be taken in Israel that would permit an offering of Notes to the public in Israel. In particular, none of the applicable Issuance Documentation has been or will be reviewed or approved by the Israel Securities Authority. The Notes are offered or sold to Qualified Investors or to fewer than 35 non-Qualified Investors, according to sections 15A(a)(1) and 15A(b) of the Securities Law 5728-1968, by individual negotiation. This Issuance Documentation may not be reproduced or used for any other



purpose, nor furnished to any other person other than those to whom copies have already been sent. Any Noteholder who purchases the Notes according to its own discretion, for its own benefit, and not with the aim or intention of distributing or offering such Notes to other parties. This Issuance Documentation does not constitute investment advice and has been prepared by the Issuer for information purposes only. Any decision to invest shall be based on the (prospective) Noteholder's own analysis regarding the advantages and risks of the investment, and the Noteholder shall obtain advice from appropriate advisors with respect to the investment's profitability and suitability to him, including accounting and tax issues.

#### **10.15 Monaco**

The Notes may not be offered or sold, directly or indirectly, to the public in Monaco other than by an authorized intermediary. Neither this Private Placement Memorandum, which has not been submitted to the clearance procedure of the Monegasque authorities, including the Commission de Contrôle des Activités Financières, nor any offering material relating to the offer of Notes, may be released or issued to the public in Monaco in accordance with any such offer. This Private Placement Memorandum does not constitute an offer to sell securities under the securities laws of Monaco.

#### **10.16 France**

This Private Placement Memorandum has not been approved by the Autorité des marchés financiers ("AMF").

The Issuer and, as the case may be, any distributor has represented and agreed that they have not offered or sold and will not offer or sell, directly or indirectly, the Notes to the public in France, and have not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Private Placement Memorandum, any Final Terms or any other offering material relating to the Notes.

Such offers, sales and distributions have been and will be made in France only in circumstances that do constitute an offer exempted from the obligation to publish a prospectus pursuant to Article L.411-2 of the French Code monétaire et financier ("CMF") and more particularly to,

- (a) a restricted circle of investors (cercle restreint d'investisseurs), other than qualified investors, of less than 150 persons acting for their own account in accordance with Article L. 411-2 1° of the CMF and/or
- (b) qualified investors (investisseurs qualifiés) as defined in article 2(e) of the Prospectus Regulation in accordance with Article L 411-2 1° of the CMF, and/or
- (c) investors who acquire Notes for a total consideration of at least EUR 100,000 (or its equivalent in another currency) per investor, for each separate offer in accordance with Article L. 411-2-1 2° of the CMF, and/or
- (d) Notes whose nominal amount or equivalent amounts is at least EUR 100,000 (or its equivalent in another currency) in accordance with Article L. 411-2-1 3° of the CMF.

The direct or indirect resale of Notes which have been acquired in with respect to an offer to the public exempted from the obligation to publish a prospectus shall be subject to the same restrictions and shall only be made in accordance with Articles L.411-1 and L.411-2 of the CMF.

#### **10.17 Ireland**

The Issuer has represented and agreed, and each further Agent appointed under the Programme will be required to represent and agree, that:

- to the extent applicable, it has complied with and will comply with all applicable provisions of the Irish Companies Act 2014 (as amended), the Central Bank Acts 1942-2018 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;

- to the extent applicable, it will not offer, sell, underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in compliance with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended), (the “MiFID II Regulations”), including, without limitation, Regulation 5 (Requirement for authorisation and certain provisions concerning MTFs and OTFs) thereof or any codes of conduct made under the MiFID II Regulations and the provisions of the Investor Compensation Act 1998; and

- to the extent applicable, it will not offer, sell, underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in compliance with the provisions of the Market Abuse Regulation (Regulation (EU) No 596/2014 as amended), the Irish European Union (Market Abuse) Regulations 2016 (as from time to time amended) and any rules or guidance issued by the Central Bank of Ireland from time to time under Section 1370 of the Irish Companies Act 2014 (as amended).

## 11 SCHEDULE 6 - GENERAL INFORMATION

The establishment of the Programme was authorised and this Private Placement Memorandum was presented to and approved by a resolution of the Board of Manager(s) of the Issuer passed on 24<sup>th</sup> July 2023 and the issue of each Series of Notes will be authorised by a separate resolution of the Issuer's Board of Manager(s).

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 its incorporation.

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 since the date of its incorporation, a significant effect on the financial position or profitability of the Issuer.

Each Global Note in bearer form having a maturity of more than one year will bear the following legend: *"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."*

In respect of a Series of Notes that has been accepted for clearance through the systems of Euroclear Bank SA/NV and/or Clearstream Banking S.A., the Common Code and the ISIN will be set out in the applicable Final Terms.

The information in this Private Placement Memorandum has not been sourced from third parties.

The issue price and the amount of the relevant Notes will be determined, before filing of the applicable Final Terms of each Series, based on then prevailing market conditions. The Issuer does not intend to provide any post-issue information in relation to any issues of Notes or in relation to the assets of a Compartment.

For so long as Notes are in issue under the Programme, copies of the following documents will be available on the Website (fundnav.lu) or in printed form, free of charge, during normal working hours on any business day, for inspection at the registered office of the Issuer and at the office of the Paying Agent:

- (a) a copy of this Private Placement Memorandum together with any supplement to this Private Placement Memorandum,
- (b) the articles of association of the Management Company, the General Management Regulation of the Securitisation Fund and the Specific Management Regulation of the Compartment(s),
- (c) if any, a copy of the Agency Agreement, Settlement Agreement and any Security Trustee Agreement,
- (d) copies of form of Subscription Agreements,
- (e) Final Terms,
- (e) copies of the latest approved annual accounts of the Issuer, and
- (f) such other documents as may be required by the rules of any stock exchange on which any Note is at the relevant time listed,
- (g) the domiciliation agreement,
- (h) if any, the Index Provider agreement,
- (i) Calculation Agent and or / Central Administration Service Agreement,
- (j) Custodian Agreement, and an
- (k) audit report if and when available.

Any documents relating to a Note which is not listed and admitted to trading on any stock exchange or market (including multilateral trading facility) will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory as to its holding of Notes and identity.

In case of listing of a Series of Notes on the Official List of and admission to trading on the professional segment of the Euro MTF ("**Euro MTF**") operated by the Luxembourg Stock Exchange, this Private Placement Memorandum will be published on the website of the Luxembourg Stock Exchange together with any relevant supplement and applicable Final Terms of the Series.

The Issuer does not intend to provide post-issue information regarding Notes to be listed on a stock exchange or, where applicable, performance of the assets of any of its Compartments.

Any websites included in the Private Placement Memorandum are for information purposes only and do not form part of the Private Placement Memorandum.

## 12 SCHEDULE 7 - CONFLICTS OF INTEREST

No contract or other transaction between the Issuer or any other company or undertaking will be affected or invalidated by the fact that one or more members of the Management Company or the Issuer's executives have a stake in or are directors, partners, executives or employees of such a company or undertaking.

Members of the Management Company and executives of the Issuer serving as directors, executives or employees of any company or undertaking with which the Issuer concludes a contract or conducts business shall not be prevented from considering, voting or acting on matters concerning such a contract or other undertaking due to this involvement in such a company or undertaking.

In the event that a member of the Management Company, in any transaction involving the Issuer, has a personal interest that differs from the interests of the Issuer, this member of the Management Company or executive must, in accordance with the articles of association, inform the Management Company of this conflict of interests and may not participate in nor vote on any transaction of this nature. Such a transaction and the interests of the member of the Management Company therein shall be referred to the next shareholders' meeting.

If the Management Company is composed of only one Manager and such Manager is in conflict of interest with the Issuer (or the Underlying Asset(s)) in a specific transaction, he/she will pass a resolution to declare such conflict of interest and appoint an *ad-hoc* independent Manager for the purpose of taking a decision or passing a resolution to commit the Issuer in this transaction.

The Issuers and the Underlying Assets' issuers or companies or special purpose vehicle use for the purpose of the Securitisation Transaction(s) may have not been independent entities and may be connected in some manner with the Issuer, member(s) of the Management Company, the Arranger or the companies affiliated to the MRB FUND PARTNERS AG' s group.

Such conflict(s) of interest shall be described in the relevant Final Terms (Part B).

### 13 SCHEDULE 8 - RESPONSIBILITY

To the best of the knowledge and belief of the Issuer, which has taken reasonable care to ensure that such is the case based upon information provided by the issuer of the Underlying Assets, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information and to such extent the Issuer accepts responsibility for the information contained in this Private Placement Memorandum and the Final Terms.

The Issuer certifies that to the best of their knowledge this Private Placement Memorandum and the Final Terms contain all information which is (in the context of the Programme, the issuance and offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Private Placement Memorandum or the Final Terms do not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Notes, Programme, the issuance and the offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Private Placement Memorandum or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

Neither the Administrative Agent - Calculation Agent, Transfer Agent and Registrar, Paying Agent / Listing / Fiscal / Settlement Agent, or any duly appointed dealer or broker, nor any of their respective affiliates have authorised the whole or any part of this Private Placement Memorandum and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Private Placement Memorandum. Neither the delivery of this Private Placement Memorandum nor any Final Terms nor the offering, sale or delivery of any Notes shall, in any circumstances, create any implication that the information contained in this Private Placement Memorandum is true subsequent to the date hereof or the date upon which this Private Placement Memorandum has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Private Placement Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Private Placement Memorandum and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons in possession of this Private Placement Memorandum or any Final Terms are required by the Issuer to inform themselves about and to observe any such restrictions.

Neither this Private Placement Memorandum nor any Final Terms constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer to subscribe for or purchase any Notes. Each recipient of this Private Placement Memorandum or any Final Terms shall be taken to have made its own analysis and appraisal of the situation (financial or otherwise) of the Issuer and the risk of subscribing to and holding the Notes.

## 14 SCHEDULE 9 - EXCLUSION OF LIABILITY

The Issuer, the Administrative, the Domiciliary and Corporate, Central Administration or Calculation Agent, the Auditor, the Paying Agent, the Settlement Agent, the Listing Agent, the Custodian, the Security Trustee and any of their shareholders, officers, employees, advisers, representatives and agents shall in no way be liable or responsible for any loss, cost, damages, expenses or inconvenience to the Noteholders or any other third parties for :

- Any negative or poor performance of an Underlying Assets,
- The undertaking of payments of income or reimbursement or redemption to the Compartment by any debtor, holder, borrower or custodian of the Underlying Assets
- Any decision(s), acts, omission(s), fraud(s) and more generally any act which may result from anything done or omitted to be done by any debtor, holder, borrower or custodian of the Underlying Assets

## 15 SCHEDULE 10 - EU SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)

### ESG disclosure

Pursuant the terms of the Regulation (EU) 2019/2088 (the “Disclosure Regulation” or “SFDR Regulation”) and the regulatory technical standards (the “RTS”) published by the Joint Committee of European Supervisory Authorities, financial market participants shall present the information to be disclosed in accordance with Article 8(1) and (2) of Regulation (EU) 2019/2088 and the Section III Article 13 of the RTS in an annex to the Issuance Document as referred to in Article 6(3) of SFDR Regulation in accordance with a template set out in Annex II of the RTS.

Such information and statement will be disclosed in the relevant Final Terms referred as “ESG disclosure”.

Such disclosure shall include a prominent statement as referred to in Article 6(3) of the SFDR Regulation that information related to environmental or social characteristics is available in that Final Terms.

The Final Terms will make the statement to explain that the investment objectives of the Compartment:

- *does not promote environmental or social characteristics nor have a sustainable objective and do not integrate sustainable risks into investment decisions.*
- *does not promote environmental or social characteristics nor have a sustainable objective but do integrate sustainable risks into investment decisions.*
- *promotes environmental or social characteristics.*
- *has a sustainable objective.*

As a Financial market participants, it shall include a statement to explain:

- (a) whether the Note(s) to be issued intends to make any sustainable investments;
- (b) that the Note(s) promotes environmental or social characteristics, but does not have as its objective a sustainable investment; and
- (c) whether an index has been designated as a reference benchmark for the purpose of attaining environmental or social characteristics promoted by the Notes.

It shall present the information in summary format in the order and made up of the following sections titled:

- (a) What environmental and/or social characteristics are promoted by this Note;
- (b) What investment strategy does this Note follows;
- (c) What is the asset allocation or the Underlying Asset planned for this Note;
- (d) whether this Note takes into account principal adverse impacts on sustainability factors;
- (e) where are described more specific information online; and
- f) whether an index is designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Note,
- g) whether a specific index designated as a reference benchmark to determine whether this Note is aligned with the environmental and/or social characteristics that it promotes.



By default, and unless otherwise stated in the relevant Final Terms, the investment decisions made for a Series of Notes – and consequently for the relevant Compartment – do not currently take into account Sustainability Risks (being understood as any environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment, and as defined in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “SFDR”).

The Issuer does neither promote environmental or social characteristics nor have sustainable investment as an objective. The Issuer therefore considers that the best interests of the Noteholders are served by following the relevant Compartment’s investment objective and policy.

Should the investment objective of a specific Series of Notes be promoting such environmental or social characteristics or having sustainable investment as an objective, then the Issuer shall (i) mention such decision and objective in the relevant Final Terms and (ii) consider taking into account the impact of investment decisions on Sustainability Risks. For these reasons, the Issuer has also not undertaken an assessment of the likely impacts of Sustainability Risks on the returns on any Series of Notes at this point.

### **European Green Bond**

The designation ‘European green bond’ or ‘EuGB’ shall only be used for bonds that comply with the requirements set out in the 201/0191 Regulation until their maturity. Such designation shall be mentioned in the relevant Final Terms of the Note.

Use of the proceeds of European Green bonds :

Before maturity of the bond, the proceeds of European green bonds shall be exclusively and fully allocated, without deducting costs, to the following, or a combination thereof:

- fixed assets, including those of households, that are not financial assets;
- capital expenditures, including those of households;
- operating expenditures that were incurred more recently than three years prior to the issuance of the European green bond;
- financial assets as referred to in Regulation

Several obligations are to be met by the Issuer in such case.

**Obligation #1 :Factsheet and pre-issuance review**

Prior to issuing a European green bond, issuers shall:

- (a) complete the European green bond factsheet laid down in Annex I;
- (b) ensure that the completed European green factsheet has been subject to a pre-issuance review with a positive opinion by an external reviewer.

The pre-issuance review of the factsheet shall contain all of the following:

- (a) an assessment of whether the completed green bond factsheet complies with Articles 4 to 7 of the Regulation and Annex I to the Regulation;
- (b) the elements set out in Annex IV to the Regulation.

**Obligations #2 : Yearly Allocation Report**

Every year and until the full allocation of the proceeds of the European green bond concerned, issuers of European green bonds shall draw up a European green bond allocation report by using the template laid down in Annex II,

demonstrating that the proceeds of any European green bonds concerned from their issuance date and until the end of the year the report refers to have been allocated in accordance with Articles 4 to 7 of the Regulation.

Issuers of European green bonds shall obtain a post-issuance review by an external reviewer of the allocation report drawn up after the full allocation of the proceeds of the European green bond in accordance with Articles 4 to 7 of the Regulation.

Issuers of European green bonds shall provide the allocation reports referred to in paragraph 3, 4, and 5 to an external reviewer within 30 days following the end of the year to which the allocation reports refer. The post-issuance review must be made public within 90 days following the receipt of the allocation report.

#### Obligation #3 : Green Bond Impact Report

Issuers of European green bonds shall, after the full allocation of the proceeds of such bonds and at least once during the lifetime of the bond, draw up a European green bond impact report on the environmental impact of the use of the bond proceeds by using the template laid down in Annex III of the Regulation.

This report is a one off exercise. The Issuer may decide to prepare several report during the life of the green bond.

#### Obligation #4 : Website publications

Issuers of European green bonds shall publish on their website, in a distinct section titled 'European green bonds' and make available free of charge until at least the maturity of the bonds concerned, all of the following:

- (a) the completed European green bond factsheet referred to in Article 8, before the issuance of the bond;
- (b) the pre-issuance review related to the European green bond factsheet referred to in Article 8, before the issuance of the bond;
- (c) the European green bond annual allocation reports referred to in Article 9, every year until the full allocation of the proceeds of the European green bond concerned, no later than three months following the end of the year it refers to;
- (d) the post-issuance reviews of the European green bond allocation reports referred to in Article 9;
- (e) the European green bond impact report referred to in Article 10.

16 SCHEDULE 11 – DIRECTORY

<p style="text-align: center;"><b>ISSUER</b></p> <p style="text-align: center;">MRB SECURITIES Securitisation Fund</p> <p>Managed and represented by Its management company MRB MANAGEMENT SARL 2C, Parc d'activités L-8308 Capellen Grand Duchy of Luxembourg</p>	<p style="text-align: center;"><b>MAILING ADDRESS FOR SUBSCRIPTION, REDEMPTION AND NOTIFICATIONS</b></p> <p style="text-align: center;">MRB MANAGEMENT SARL 2C, Parc d'Activités L-8308 Capellen Grand Duchy of Luxembourg</p>
<p style="text-align: center;"><b>AUDITORS</b></p> <p style="text-align: center;">AUDIT CONSEIL SERVICES SARL (ACSe) 47, route d'Arlon L-8009 Strassen Grand Duchy of Luxembourg</p>	<p style="text-align: center;"><b>CENTRAL ADMINISTRATION</b></p> <p style="text-align: center;">CREATRUST Sarl 2C, Parc d'Activités L-8308 Capellen Grand Duchy of Luxembourg</p>
<p style="text-align: center;"><b>ARRANGER</b></p> <p style="text-align: center;">MRB FUND PARTNERS AG Fraumünsterstrasse 11 CH-8001 Zürich Switzerland</p>	<p style="text-align: center;"><b>PAYING AGENT SETTLEMENT AGENT ACCOUNT BANK SECURITY TRUSTEE REGISTRAR / TRANSFER AGENT</b></p>

## 17 SCHEDULE 12 - DATA PRIVACY NOTICE

This data privacy notice ("Notice") sets out how and why the Issuer, the "Agents" or "we" or "us" or "our") collect, use, store, transfer or otherwise process your personal data when either you (in your individual capacity) or an entity of which you are an individual director, officer, employee, other representative or beneficial owner (if an individual or, if the beneficial owner is a legal entity, an officer, employee or other representative of the beneficial owner) (the "Investing Entity") (together, "you" or "your") invest(s) into the Notes, in accordance with the European Union's General Data Protection Regulation.

Where the investor in the Notes is an Investing Entity, please provide a copy of this Notice to the Investing Entity's directors, officers, employees, other representatives and/or owners whose personal data the Issuer may process.

This Notice also contains information about your rights in relation to your personal data.

### 1. WHY ARE WE PROVIDING THIS DATA PRIVACY NOTICE TO YOU?

- 1.1 In connection with your investment into the Notes, you may have already provided, or may need to, from time to time, provide personal data to us.
- 1.2 If you do not supply this data, there may not be sufficient information for us to administer your investment in the Notes, fulfil our obligations to you under the Fund documents and/or communicate to you matters relating to your investment in the Notes.
- 1.3 With effect from 25 May 2018, there have been changes to the rules applicable to the processing of your personal data by us.
- 1.4 Please read this Notice carefully to understand what we do with your personal data.

### 2. IN WHAT CAPACITY ARE WE ACTING IN RESPECT OF YOUR PERSONAL DATA?

- 2.1 When you provide us with your personal data, the Issuer acts as a "**data controller**". In simple terms, this means that:
  - 2.1.1 we "control" the personal data that you provide, including making sure that it is kept secure; and
  - 2.1.2 we make certain decisions on how to use and protect your personal data, but only to the extent that we have informed you about the use or are otherwise required and/or permitted to do so by law.

### 3. WHAT INFORMATION DO WE COLLECT ABOUT YOU?

- 3.1 The types of personal data we collect and share depends on the product or service you have with us and the nature of your investment. This information can include or be related to among others:
  - 3.1.1 name;
  - 3.1.2 email address;
  - 3.1.3 telephone number;
  - 3.1.4 work address;
  - 3.1.5 position in Investing Entity;
  - 3.1.6 passport and/or other identification document number;

- 3.1.7 personal address;
  - 3.1.8 assets and income\*;
  - 3.1.9 investment experience\*;
  - 3.1.10 risk tolerance and transaction history\*;
  - 3.1.11 investment activity\*
  - 3.1.12 and more generally any information you filled in when completing the Subscription Form or any form or digital contact form.
- 3.2** The personal data collected about you is necessary for us to provide the service you have required and to facilitate our business relationship.
- 3.3** We may combine personal data that you provide to us with information that we collect from, or about you, in some circumstances.
- 3.4** This will include information collected in an online or offline context.
- 4. WHERE DO WE OBTAIN YOUR PERSONAL DATA?**
- 4.1** We collect information about you from a number of sources. Generally speaking, we may obtain your personal data in two main ways – information that you provide to us; and information we obtain from others.
- 4.2 How do you provide your personal data to us?**
- 4.2.1 from the subscription documents, forms and any associated documentation that you complete when you subscribe for interest in the Notes;
  - 4.2.2 when you provide it to us in correspondence and conversations;
  - 4.2.3 when you engage in transactions with respect to the Notes or otherwise interact with us (including through websites or online portals or platforms); and
  - 4.2.4 when you tell us where to send money.
- 4.3 How do we obtain your personal data from others?**
- 4.3.1 from publicly available and accessible directories and sources;
  - 4.3.2 from bankruptcy registers;
  - 4.3.3 from tax authorities, including those that are based outside the UK and the European Economic Area ("EEA") if you are subject to tax in another jurisdiction;
  - 4.3.4 from governmental and competent regulatory authorities to whom we have regulatory obligations;
  - 4.3.5 from credit agencies; and
  - 4.3.6 from fraud prevention and detection agencies and organisations.

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\* Where an individual investor is investing into the Fund.

## 5. WHY DO WE PROCESS YOUR PERSONAL DATA?

5.1 We set out below the reasons/purposes of why and how we process your personal data:

Why?		How?
1.	Contract	<p>It is <b><u>necessary to perform our contract</u></b> with you to:</p> <ul style="list-style-type: none"> <li>(a) allow you to acquire and maintain your interest in the Notes;</li> <li>(b) meet the resulting contractual obligations we have to you, including notification, consent and reporting obligations;</li> <li>(c) facilitate the continuation or termination of the contractual relationship between you and the Notes; and</li> <li>(d) facilitate the transfer of funds, and administering and facilitating any other transaction, between you and the Notes.</li> </ul>
2.	Compliance with law	<p>It is <b><u>necessary for compliance with an applicable legal or regulatory obligation</u></b> to which we are subject to:</p> <ul style="list-style-type: none"> <li>(a) undertake our client and investor due diligence, and on-boarding checks;</li> <li>(b) carry out verification, know-your-client (KYC), anti-terrorist financing and anti-money laundering checks;</li> <li>(c) verify the identity and addresses of our investors (and, if applicable their officers and/or beneficial owners);</li> <li>(d) comply with requests from regulatory, governmental, tax and law enforcement authorities;</li> <li>(e) surveillance and investigation;</li> <li>(f) carry out audit checks;</li> <li>(g) maintain statutory registers;</li> <li>(h) prevent and detect fraud; and</li> <li>(i) sanctions.</li> </ul>
3.	Our legitimate interests	<p>For our <b><u>legitimate interests</u></b> or those of a third party to:</p> <ul style="list-style-type: none"> <li>(a) manage and administer your interest in the Notes on an ongoing basis;</li> <li>(b) assess and process any applications or requests made by you;</li> <li>(c) send updates, information and notices or otherwise correspond with you in connection with your interest in the Notes;</li> <li>(d) address or investigate any complaints, claims, proceedings or disputes;</li> <li>(e) provide you with, and inform you about, our investment products and services;</li> <li>(f) monitor and improve our relationships with investors;</li> <li>(g) send direct marketing and/or pre-marketing communications to you;</li> </ul>

		<p>(h) comply with applicable regulatory obligations;</p> <p>(i) manage our risk and operations;</p> <p>(j) comply with our accounting requirements and tax and other reporting requirements;</p> <p>(k) comply with our audit requirements;</p> <p>(l) assist with internal compliance with our policies and process;</p> <p>(m) ensure appropriate group management and governance;</p> <p>(n) maintain our internal records;</p> <p>(o) protect our business against fraud, breach of confidence, theft of proprietary materials, and other financial or business crimes (to the extent that this is not required of us by law);</p> <p>(p) seek professional advice, including legal advice;</p> <p>(q) monitor communications to/from us using our systems; and</p> <p>(r) protect the security and integrity of our IT systems.</p> <p>We only rely on these interests where we have considered that, on balance, our legitimate interests are not overridden by your interests, fundamental rights or freedoms.</p>
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## 5.2 Direct marketing / pre-marketing (as described in item 3(g) above)

5.2.1 We may process your personal data for direct marketing and/or pre-marketing purposes:

- (a) to provide you with information, products and services that may be of interest to you in the context of our investment-related activities; or
- (b) in connection with future fundraising activities.

5.2.2 You have a right at any time to stop us from contacting you for marketing purposes.

5.2.3 If you object to the processing of your personal data for direct marketing purposes, we will stop using your personal data for these purposes. If you no longer wish to be contacted for marketing purposes, please contact us – please see section 13 below for our contact information.

## 5.3 Monitoring (as described in item 3(q) above)

5.3.1 We monitor communications where the law requires us to do so. We will also monitor where we are required to do so to comply with our regulatory rules and practices and, where we are permitted to do so, to protect our business and the security of our systems.

## 6. WHO DO WE SHARE YOUR PERSONAL DATA WITH?

6.1 Your personal data will be shared with the following persons for the following reasons:

Who?		Why?
1.	Our affiliates and related parties	<ul style="list-style-type: none"> <li>• to manage our relationship with you</li> <li>• to fulfil the purposes set out in this Notice</li> </ul>

2.	Administrators, depositaries, custodians, lenders, counterparties	<ul style="list-style-type: none"> <li>• to deliver the services you require</li> <li>• to manage your investment in the Notes and facilitate the ongoing operations of the Notes</li> <li>• to support and administer investment-related activities</li> <li>• to comply with applicable laws and regulations</li> </ul>
3.	Tax authorities	<ul style="list-style-type: none"> <li>• to comply with applicable laws and regulations</li> <li>• where required by EEA tax authorities (who, in turn, may share your personal data with foreign tax authorities)</li> <li>• where required by foreign tax authorities, including outside of the EEA</li> </ul>
4.	Service providers	<ul style="list-style-type: none"> <li>• to deliver and facilitate the services needed to support our business relationship with you</li> <li>• to support and administer investment-related activities</li> </ul>
5.	Our lawyers, auditors and other professional advisers	<ul style="list-style-type: none"> <li>• to obtain advice in connection with your investment in the Notes and the investment-related activities</li> <li>• to comply with applicable legal and regulatory requirements</li> </ul>

**6.2** In exceptional circumstances, we will share your personal data with:

6.2.1 competent regulatory, prosecuting and other governmental agencies or litigation counterparties, in any country or territory; where we are required to do so by law and

6.2.2 other organisations and agencies, where we are required to do so by law.

## **7. ARE YOU REQUIRED TO PROVIDE US WITH YOUR PERSONAL DATA?**

**7.1** Where we collect personal data from you, we will indicate if:

7.1.1 the provision of the personal data is necessary for our compliance with a legal and/or regulatory obligation and/or for provision of our services to you; or

7.1.2 it is purely voluntary and there are no implications for you if you do not wish to provide us with it.

**7.2** Unless otherwise indicated, you should assume that we require the personal data for business and/or compliance purposes.

**7.3** Some of the personal data we request is necessary for us to perform our contract with you and if you do not wish to provide us with this personal data, it may affect our ability to provide our offering of products and/or services to you, to fulfil our obligations to you and/or to manage your investment.

## **8. TRANSFER OF PERSONAL DATA INTERNATIONALLY**

**8.1** We may transfer your personal data to our affiliates, related parties, counterparties and/or third-party service providers in jurisdictions outside of the EEA which do not have similarly strict data protection and privacy laws.

**8.2** Where we transfer personal data to other members of our group, or our service providers, we will put in place data transfer agreements and safeguards using European Commission approved terms.



## **9. RIGHT TO WITHDRAW CONSENT**

- 9.1 We do not generally rely on obtaining your consent to process your personal data.
- 9.2 If we do, you have the right to withdraw this consent at any time.
- 9.3 Please contact us or send us an email at [subscriptions@fundnav.lu](mailto:subscriptions@fundnav.lu) at any time if you wish to do so.

## **10. RETENTION AND DELETION OF PERSONAL DATA**

- 10.1 We keep your personal data for as long as it is required by us for our legitimate business purposes, to perform our contractual obligations, or where longer, such longer period as is required by law or regulatory obligations which apply to us.
- 10.2 We will generally retain information about you throughout the life cycle of any investment you are involved in.
- 10.3 Some personal information will be retained after your relationship with us ends.
- 10.4 As a general principle, we do not retain your personal data for longer than we need it.
- 10.5 Unless otherwise legally required, we will usually delete your personal information (at the latest) at the completion of seven years after completion of winding-up of the Securitisation Fund.

## **11. YOUR DATA PROTECTION RIGHTS**

- 11.1 You may have certain data protection rights, including:
  - 11.1.1 the right to access your personal data;
  - 11.1.2 the right to restrict the use of your personal data;
  - 11.1.3 the right to have incomplete or inaccurate data corrected;
  - 11.1.4 the right to ask us to stop processing your personal data;
  - 11.1.5 the right to require us to delete your personal data in some limited circumstances.
- 11.2 You also have the right in some circumstances to request that we "port" your personal data in a portable, re-usable format to other organisations (where this is possible).

## **12. CONCERNS OR QUERIES**

- 12.1 We take your concerns very seriously. We encourage you to bring to our attention any concerns you may have about our processing your personal data.
- 12.2 This Notice was drafted with simplicity and clarity in mind. We are, of course, happy to provide any further information or explanation needed. Our contact details are below.
- 12.3 If you want to make a complaint, you can also contact the body regulating data protection in your country, where you live or work, or the location where the data protection issue arose.

## **13. CONTACT US**

- 13.1 Please contact us if you have any questions about this Notice or the information we hold about you.
- 13.2 You can contact us by email at [subscriptions@fundnav.lu](mailto:subscriptions@fundnav.lu)

**13.3** You can also contact us in writing using the following address:

MRB MANAGEMENT Sàrl  
2C, Parc d'Activités,  
L-8308 Capellen  
GD Luxembourg

**14. CHANGES TO THIS NOTICE**

**14.1** We keep this Notice under regular review.

This Notice was last updated on the same day as the date of the Private Placement Memorandum.