



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Trésorerie de l'État

Luxembourg Treasury Securities SA
(incorporated in the Grand Duchy of Luxembourg with limited liability)

€200,000,000 0.436 per cent. Certificates due 2019

Issue Price: 100.00 per cent.

The €200,000,000 0.436 per cent. Certificates due 2019 (the **Certificates**) of Luxembourg Treasury Securities SA (the **Issuer**) will be constituted by a declaration of trust (the **Declaration of Trust**) dated on or about 7 October 2014 (the **Closing Date**) between the Issuer, in its capacity as issuer and as trustee (the **Trustee**) for and on behalf of holders of the Certificates (the **Certificateholders**), the Grand Duchy of Luxembourg (**Luxembourg**) and BNP Paribas Trust Corporation UK Limited (the **Delegate**). Pursuant to the Declaration of Trust, the Trustee will declare that it will hold the Trust Assets (as defined herein), on trust absolutely for the Certificateholders as owners and beneficiaries *pro rata* according to the face amount of Certificates held by each Certificateholder in accordance with the Declaration of Trust and the terms and conditions of the Certificates (the **Conditions**).

On the 7th day of October in each year commencing on 7 October 2015 (each, a **Periodic Distribution Date**), the Issuer will pay Periodic Distribution Amounts (as defined herein) to Certificateholders calculated at the rate of 0.436 per cent. *per annum* on the outstanding face amount of the Certificates.

The Issuer will pay such Periodic Distribution Amounts solely from the proceeds received in respect of the Trust Assets (as defined herein) for the relevant Return Accumulation Period (as defined herein) which include payments by the Grand Duchy of Luxembourg (in such capacity, the **Lessee**) under the Lease Agreement (as defined herein). Unless previously redeemed in the circumstances described in Condition 8, the Certificates will be redeemed on 7 October 2019 (the **Scheduled Dissolution Date**) at the Dissolution Distribution Amount (as defined herein). The Issuer will pay the Dissolution Distribution Amount solely from the proceeds received in respect of the Trust Assets which include payments by the Grand Duchy of Luxembourg (in such capacity, the **Obligor**) under the Purchase Undertaking (as defined herein).

The Certificates will be limited recourse obligations of the Issuer. An investment in the Certificates involves certain considerations. For a discussion of these considerations, see "Investment Considerations".

This Information Memorandum does not qualify as a prospectus within the meaning of Article 3 of Directive 2003/71/EC, as amended (the **Prospectus Directive**), nor pursuant to Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended (the **Prospectus Law**). This Information Memorandum also does not qualify as a simplified prospectus pursuant to Part III of the Prospectus Law. This Information Memorandum will not be approved by the Commission de Surveillance du Secteur Financier (the **CSSF**) of the Grand Duchy of Luxembourg or any equivalent authority in another jurisdiction.

Application has been made to the Luxembourg Stock Exchange for the Certificates to be admitted to the official list of the Luxembourg Stock Exchange (the **Official List**) and to trading on the Luxembourg Stock Exchange's Euro MTF Market (the **Euro MTF Market**). This Information Memorandum constitutes a prospectus for the purpose of Part IV of the Prospectus Law.

The Certificates are expected to be assigned a rating of "AAA" by Standard & Poor's Ratings Services Europe Ltd. (**Standard & Poor's**) and of "Aaa" by Moody's Investors Service Ltd. (**Moody's**). Each of Standard & Poor's and Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, Standard & Poor's and Moody's are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold the Certificates (or beneficial interests therein), does not address the likelihood or timing of repayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. A suspension, reduction or withdrawal of either rating assigned to the Certificates may affect the market price of the Certificates.

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act (**Regulation S**)) or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Certificates are being offered or sold solely to persons who are not U.S. Persons outside the United States in reliance on Regulation S. Each purchaser of the Certificates is hereby notified that the offer and sale of Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

Delivery of the Certificates in book-entry form will be made on the Closing Date. Certificates will be represented by interests in a global certificate in registered form (the **Global Certificate**) deposited on or about the Closing Date with LuxCSD, société anonyme (**LuxCSD**). Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by LuxCSD. Definitive Certificates evidencing holdings of interests in the Certificates will be issued in exchange for interests in the Global Certificate only in certain limited circumstances described herein.

Joint Lead Managers

BNP PARIBAS

HSBC

Co-Managers

Banque Internationale à Luxembourg S.A.

QInvest

The date of this Information Memorandum is 2 October 2014.

Each of the Issuer and Luxembourg accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of each of the Issuer and Luxembourg (each having taken all reasonable care to ensure that such is the case) the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Information Memorandum in connection with the offering of the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, Luxembourg, the Managers (as defined under "*Subscription and Sale*"), the Trustee, the Delegate, the Agents (each as defined herein) or any other person. Neither the delivery of this document nor any sale of any Certificates shall, under any circumstances, constitute a representation or create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the affairs of any party mentioned herein since that date.

None of the Managers, the Trustee, the Delegate or the Agents has verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of them as to the accuracy, adequacy, reasonableness or completeness of the information contained in this Information Memorandum or any other information provided by the Issuer or Luxembourg in connection with the Certificates, their distribution or their future performance.

Neither this Information Memorandum nor any other information supplied in connection with the Certificates is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer, Luxembourg, the Managers, the Trustee, the Delegate or the Agents that any recipient of this Information Memorandum should purchase any of the Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and Luxembourg. None of the Managers, the Trustee, the Delegate or the Agents accepts any liability in relation to the information contained in this Information Memorandum or any other information provided by the Issuer and Luxembourg in connection with the Certificates.

No comment is made or advice given by the Issuer, Luxembourg, the Managers, the Trustee, the Delegate or the Agents in respect of taxation matters relating to the Certificates or the legality of the purchase of the Certificates by an investor under any applicable law.

This Information Memorandum may only be used for the purposes for which it has been published.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, LEGAL ADVISER AND BUSINESS ADVISER AS TO TAX, LEGAL, BUSINESS AND RELATED MATTERS CONCERNING THE PURCHASE OF THE CERTIFICATES.

This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and the offer or sale of the Certificates may be restricted by law in certain jurisdictions. None of the Issuer, Luxembourg, the Managers, the Trustee, the Delegate or the Agents represents that this Information Memorandum may be lawfully distributed, or that any Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, Luxembourg, the Managers, the Trustee, the Delegate or the Agents which is intended to permit a public offering of any Certificates or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Information Memorandum and the offering and sale of the Certificates. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Certificates in the United States, the United Kingdom, Switzerland, the Kingdom of Bahrain, Malaysia, the Kingdom of Saudi Arabia, Singapore, the State of Qatar, Hong Kong, the

United Arab Emirates (excluding the Dubai International Financial Centre (the **DIFC**)) and the DIFC, see "*Subscription and Sale*".

All references in this Information Memorandum to **euro**, **EUR** or **€** means the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

IN CONNECTION WITH THE ISSUE OF THE CERTIFICATES, HSBC BANK PLC, IN ITS CAPACITY AS STABILISING MANAGER (THE *STABILISING MANAGER*) (OR ANY PERSON ACTING ON ITS BEHALF) MAY EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE CAN BE NO ASSURANCE THAT THE STABILISING MANAGER (OR ANY PERSON ACTING ON ITS BEHALF) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE CLOSING DATE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE CLOSING DATE OF THE CERTIFICATES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE CERTIFICATES. ANY STABILISATION ACTION SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

NOTICE TO BAHRAIN RESIDENTS

In relation to investors in the Kingdom of Bahrain, securities issued in connection with this Information Memorandum and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain (**CBB**) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.

This Information Memorandum does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Information Memorandum and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Information Memorandum or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside Bahrain.

The CBB has not reviewed, approved or registered the Information Memorandum or related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document. No offer of securities will be made to the public in the Kingdom of Bahrain and this Information Memorandum must be read by the addressee only and must not be issued, passed to, or made available to the public generally in the Kingdom of Bahrain.

NOTICE TO QATARI RESIDENTS

This Information Memorandum does not and is not intended to constitute an offer, sale or delivery of the Certificates under the laws of the State of Qatar including the Qatar Financial Centre and has not been and will not be reviewed or approved by or registered with the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or the Qatar Central Bank in accordance with their regulations or any other regulations in the State of Qatar including the Qatar Financial Centre. The Certificates are not and will not be traded on the Qatar Exchange.

NOTICE TO MALAYSIAN RESIDENTS

The Certificates may not be offered for subscription or purchase and no invitation to subscribe for or purchase the Certificates in Malaysia may be made, directly or indirectly, and this Information Memorandum or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories specified under (i) Schedule 6 (or Section 229(1)(b)) or Schedule 7 (or Section 230(1)(b)) and (ii) Schedule 8 (or Section 257(3)) of the Capital Market and Services Act 2007 of Malaysia (the **CMSA**).

The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Issuer or Luxembourg and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Information Memorandum.

KINGDOM OF SAUDI ARABIA NOTICE

This Information Memorandum may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the **Capital Market Authority**).

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Information Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Information Memorandum. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this Information Memorandum he or she should consult an authorised financial adviser.

TABLE OF CONTENTS

Investment Considerations.....	6
Structure Diagram and Cash Flows	9
Overview of the Offering.....	11
Terms and Conditions of the Certificates	17
Global Certificate	36
Use of Proceeds	38
Description of the Issuer	39
Information on the Grand Duchy of Luxembourg	42
Summary of the Principal Transaction Documents	43
Taxation.....	48
Subscription and Sale	51
General Information	56

INVESTMENT CONSIDERATIONS

The purchase of Certificates may involve certain considerations and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the considerations relating to and merits of an investment in the Certificates. Before making an investment decision, prospective purchasers of Certificates should consider carefully, in the light of their own financial circumstances and investment objectives, all of the information in this Information Memorandum.

Each of the Issuer and Luxembourg believes that the factors described below represent the principal considerations inherent in investing in the Certificates but none of the Issuer or Luxembourg represents that the statements below regarding considerations relating to the holding of any Certificate are exhaustive. There may also be other considerations, including some which may not be presently known to the Issuer or Luxembourg or which the Issuer or Luxembourg currently deems immaterial, that may impact any investment in the Certificates.

Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision. Words and expressions defined in "Terms and Conditions of the Certificates" shall have the same meanings in this section.

The Issuer has a limited operating history and no material assets

The Issuer is newly established under the laws of Luxembourg with limited liability and has no operating history. The Issuer will not engage in any business activity other than the issuance of the Certificates, the acquisition of the Trust Assets as described herein, acting in its capacity as trustee and other incidental or related activities.

The Issuer's only material assets, which it will hold on trust for the Certificateholders in its capacity as Trustee, will be the Trust Assets, including its right to receive payments under the Purchase Undertaking, the Servicing Agency Agreement and the Lease Agreement. Therefore, the payment of all amounts under the Certificates by the Issuer is subject to the receipt of such amounts from Luxembourg pursuant to, and the fulfilment by Luxembourg of its obligations in full and on a timely basis under, the Transaction Documents to which it is a party.

The Certificates are limited recourse obligations

The Certificates are not debt obligations of the Issuer or Luxembourg. Instead, the Certificates represent a beneficial interest solely in the Trust Assets. Recourse to the Issuer in respect of the Certificates is limited to the Trust Assets and proceeds of such Trust Assets are the sole source of payments on the Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the Delegate and, through the Delegate, the Certificateholders will be against the Lessee and the Obligor to perform their respective obligations under the Transaction Documents. Certificateholders will otherwise have no recourse to any assets of the Issuer, the Trustee or Luxembourg in respect of any shortfall in the expected amounts due under the Trust Assets. Each of the Lessee and the Obligor is obliged to make certain payments under the Transaction Documents directly to the Issuer, and the Delegate will have direct recourse against the Lessee and the Obligor to recover such payments due to the Issuer pursuant to the Transaction Documents. In the absence of a default by the Delegate, investors have no direct recourse to the Lessee or the Obligor and there is no assurance that the net proceeds of the realisation of, or enforcement with respect to, the Trust Assets will be sufficient to make all payments due in respect of the Certificates.

After enforcing or realising the Trust Assets and distributing the net proceeds of the Trust Assets in accordance with Condition 4.2, the obligations of the Issuer and the Trustee in respect of the Certificates shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Issuer or the Trustee to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents and the sole right of the Trustee, the Delegate and the Certificateholders against Luxembourg shall be to enforce the obligation of Luxembourg to perform its obligations in its respective capacities under the Transaction Documents.

Purchase of the Lease Assets

The Obligor has agreed in the Purchase Undertaking to indemnify the Trustee and the Delegate for any breach by the Obligor of any of its obligations under the Purchase Undertaking, including any failure by the Obligor to purchase the

Lease Assets and pay the exercise price, which is intended to fund the redemption in full of the outstanding Certificates. In the event that the Lease Assets are not purchased by the Obligor for any reason, the Delegate will seek to enforce the above provisions of the Purchase Undertaking.

Total Loss Event

As owner of the Lease Assets, the Trustee is required, among other things, to insure the Lease Assets. In accordance with Sharia principles, the Trustee has delegated this obligation to Luxembourg, as its servicing agent (the **Servicing Agent**), which has undertaken in the Servicing Agency Agreement, among other things, to insure the Lease Assets in the name of the Trustee against the occurrence of a Total Loss Event for their full reinstatement value (and to ensure that such amount is not at any time less than the aggregate face amount of the Certificates from time to time outstanding). A Total Loss Event is defined as the total loss or destruction of, or damage to the whole of the Lease Assets or any event or occurrence that renders the whole of the Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical.

Nevertheless, should such an event occur and Luxembourg fails to replace the Lease Assets pursuant to the Servicing Agency Agreement by the 30th day after the occurrence of the Total Loss Event, the Certificates will be repaid using the proceeds of the insurance received by the Trustee. In this scenario, potential investors should be aware that rental under the Lease will cease upon the occurrence of a Total Loss Event (as, if there is no replacement of the Lease Assets as aforesaid, the Lease will be deemed to have terminated on the date on which the Total Loss Event occurred) and accordingly the accrued Periodic Distribution Amount received by the Certificateholders will reflect this. The Servicing Agency Agreement provides that if the insurance proceeds for an amount equal to the full reinstatement value are not paid into the Transaction Account within 30 days of the occurrence of the Total Loss Event, the Servicing Agent shall have failed in its responsibilities in respect of the proper insurance of the Lease Assets and, accordingly, shall be responsible for paying any shortfall by the 30th day after the occurrence of the Total Loss Event. The Delegate will be entitled to enforce this undertaking against the Servicing Agent on behalf of the Certificateholders.

Sharia rules

The Sharia Supervisory Committee of BNP Paribas and the Executive Shariah Committee of HSBC Saudi Arabia Limited have confirmed that the Transaction Documents (as defined herein) are, in their view, Sharia compliant. However, there can be no assurance that the Transaction Documents or the issue and trading of the Certificates will be deemed to be Sharia compliant by any other Sharia board or Sharia scholars. None of the Issuer, the Trustee, Luxembourg, the Delegate or the Managers makes any representation as to the Sharia compliance of the Certificates and potential investors are reminded that, as with any Sharia views, differences in opinion are possible. Potential investors should obtain their own independent Sharia advice as to the compliance of the Transaction Documents and the issue and trading of the Certificates with Sharia principles.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties may, if in dispute, be the subject of court proceedings under the laws of (i) Luxembourg or (ii) England and Wales. In such circumstances, the courts will interpret the respective terms of the Transaction Documents under their governing law in determining the obligation of the parties.

Absence of secondary market/limited liquidity

There is no assurance that a secondary market for the Certificates will develop or, if it does develop, that it will be liquid or will continue for the life of the Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates readily or at prices that will enable the Certificateholder to realise a desired yield. The market value of the Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Certificates. Accordingly, the purchase of the Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates. An investor in the Certificates must be prepared to hold the Certificates for an indefinite period of time or until their maturity.

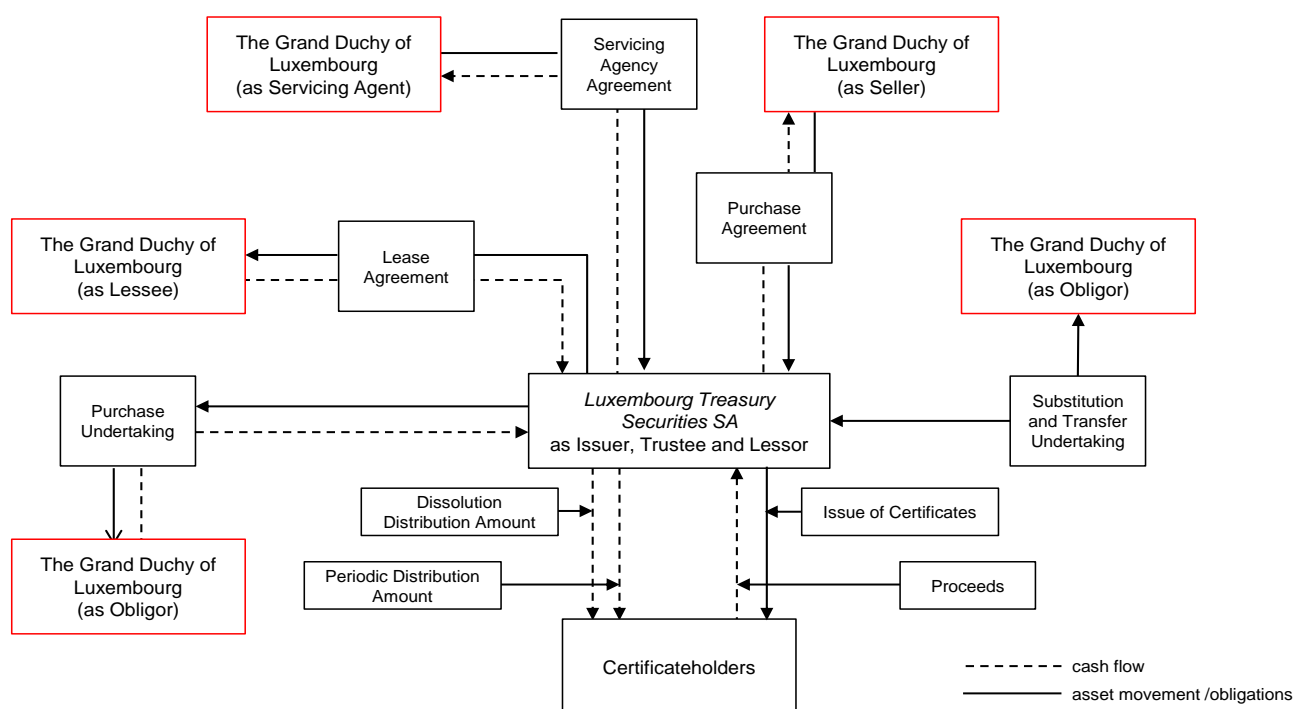
Sharia requirements in relation to interest awarded by a court

In accordance with applicable Sharia principles, each of the Trustee and the Delegate will waive all and any entitlement it may have to interest awarded in its favour by any court in connection with any dispute under any of the Transaction Documents. Should there be any delay in the enforcement of a judgment given against Luxembourg, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive any part of such interest.

STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying the transaction. Potential investors are referred to the terms and conditions of the Certificates and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Information Memorandum for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

Structure Diagram



Principal cash flows

Payments by the Certificateholders and the Issuer

On the Closing Date, the Certificateholders will pay the issue price in respect of the Certificates to the Issuer, which will hold such proceeds of the issue of the Certificates as Trustee and will pay such amount to Luxembourg as the purchase price payable under the Purchase Agreement for the Lease Assets (the aggregate value of which (as determined by reference to the relevant internal government valuation of the Lease Assets) shall be equal to such purchase price).

The Lease Assets to be purchased by the Trustee on the Closing Date will consist of certain land and buildings used as offices and archiving (including parking) space for civil and governmental administrative purposes. Luxembourg may substitute or replace the Lease Assets with assets the identity of which may be determined by Luxembourg in its sole and absolute discretion provided that: (i) such assets comprise land, buildings or leasehold interests in respect of land and buildings used for office or administrative purposes on a similar basis to the Lease Assets to be purchased on the Closing Date or other civil or governmental purposes, and (ii) their value (as determined by reference to the relevant internal government valuation of such assets) is not less than the aggregate value of the Lease Assets being replaced.

Periodic Distribution Payments

Prior to each Periodic Distribution Date, the Lessee will pay to the Trustee an amount reflecting the rental due in respect of the Lease Assets which is intended to be sufficient to fund the Periodic Distribution Amounts payable by the Issuer under the Certificates and shall be applied by the Trustee for that purpose.

Dissolution Payment by the Obligor

On the Scheduled Dissolution Date, the Trustee will have the right to require the Obligor pursuant to the unconditional and irrevocable undertaking of the Obligor under the Purchase Undertaking to purchase the Lease Assets and the exercise price payable by the Obligor to the Trustee is intended to fund the Dissolution Distribution Amount payable by the Issuer under the Certificates.

The Trust may be dissolved prior to the Scheduled Dissolution Date for the following reasons: (i) redemption following a Dissolution Event or (ii) upon the occurrence of a Total Loss Event (save where the Lease Assets are replaced as provided in the Servicing Agency Agreement by the 30th day after the occurrence of the Total Loss Event, see “*Overview of the Offering – Summary of the Certificates – Total Loss Event*”).

In the case of (i), the amounts payable by the Issuer on the due date for dissolution will be funded by the Obligor purchasing the Lease Assets and paying the exercise price to (or to the order of) the Trustee pursuant to the terms of the Purchase Undertaking. In the case of (ii), the amounts payable by the Issuer on the due date for dissolution will be funded using the proceeds of insurance payable in respect of the Total Loss Event which (save where Luxembourg replaces the Lease Assets as referred to above) are required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event.

Should there be any shortfall in the insurance proceeds paid into the Transaction Account, the Servicing Agent will acknowledge that it shall have failed in its responsibilities in respect of the proper insurance of the Lease Assets and will irrevocably and unconditionally undertake to pay an amount equal to such shortfall into the Transaction Account by no later than the 30th day after the Total Loss Event has occurred.

OVERVIEW OF THE OFFERING

The following overview should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Information Memorandum. This overview may not contain all of the information that prospective investors should consider before deciding to invest in the Certificates. Accordingly, any decision by a prospective investor to invest in the Certificates should be based on a consideration of this Information Memorandum as a whole.

Words and expressions defined in "Terms and Conditions of the Certificates" shall have the same meanings in this overview. Reference to a "Condition" is to a numbered condition of the Terms and Conditions of the Certificates (the Conditions).

Parties

Issuer and Trustee	Luxembourg Treasury Securities SA, a company incorporated in Luxembourg as a public limited liability company (<i>société anonyme</i>) and registered with the Luxembourg Trade and Companies Register (R.C.S. Luxembourg) under number B188869. The Issuer has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents to which it is a party. The Issuer will issue the Certificates on the Closing Date and, as Trustee in accordance with the Declaration of Trust, act as trustee in respect of the Trust Assets for the benefit of the Certificateholders.
Ownership of the Issuer	The authorised share capital of the Issuer is €31,000 consisting of 310 shares with a nominal value of €100 each, of which 100 per cent. are fully paid up and issued. The Issuer's entire issued share capital is held by Luxembourg.
Seller	Luxembourg. The Seller will sell to the Trustee the Lease Assets identified in, and purchased by the Trustee pursuant to, the Purchase Agreement.
Lessee	Luxembourg. In accordance with the Lease Agreement, the Lessee will lease from the Trustee the Lease Assets for a five year term and will pay rent to the Issuer on an annual basis. The rent is intended to fund the Periodic Distribution Amounts payable by the Issuer in respect of the Certificates.
Obligor	Luxembourg. In accordance with the Purchase Undertaking, the Obligor will irrevocably and unconditionally undertake, at the option of the Trustee or the Delegate, to purchase the Lease Assets from the Trustee against payment of the exercise price. The Obligor shall also have the right under the Substitution and Transfer Undertaking to require the substitution at any time of the Lease Assets and to require the transfer of Lease Assets against the cancellation of Certificates purchased pursuant to Condition 11.
Servicing Agent	<p>Luxembourg. Under the Lease Agreement the Lessor is responsible for insuring the Lease Assets, paying proprietorship taxes and performing major maintenance and structural repair. In accordance with the Servicing Agency Agreement the Lessor delegates this responsibility to the Servicing Agent.</p> <p>If on the occurrence of a Total Loss Event the Servicing Agent receives notice from Luxembourg that replacement assets are available on or before the 30th day after the occurrence of the Total Loss Event, the Servicing Agent shall apply the relevant insurance proceeds towards the purchase on behalf of the Trustee of such replacement assets as provided in the Servicing Agency Agreement.</p>

Lead Managers	BNP Paribas HSBC Bank plc
Co-Managers	Banque Internationale à Luxembourg S.A. QInvest LLC
Delegate	BNP Paribas Trust Corporation UK Limited. In accordance with the Declaration of Trust, the Trustee will unconditionally and irrevocably delegate to the Delegate the present and future duties, powers, authorities and discretions vested in the Trustee by certain provisions of the Declaration of Trust.
Principal Paying Agent, LuxCSD Principal Agent, Registrar and Transfer Agent	BNP Paribas Securities Services, Luxembourg Branch
Luxembourg Listing Agent	BNP Paribas Securities Services, Luxembourg Branch
Summary of the Transaction Structure and Documents	An overview of the structure of the transaction and the principal cash flows is set out under “ <i>Structure Diagram and Cash flows</i> ” and a description of the principal terms of the significant Transaction Documents is set out under “ <i>Summary of the Principal Transaction Documents</i> ”.
Summary of the Certificates	
Certificates	€200,000,000 0.436 per cent. Certificates due 2019.
Trust Assets	Each Certificate evidences an undivided beneficial ownership interest in the Trust Assets, subject to the terms of the Declaration of Trust and the Conditions, and is a limited recourse obligation of the Issuer. The Trust Assets are all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Lease Assets and the Transaction Documents (other than in relation to any representations given to the Trustee by Luxembourg pursuant to any of the Transaction Documents) together with all monies standing to the credit of the Transaction Account from time to time and all proceeds of the foregoing.
Closing Date	7 October 2014.
Issue Price	100 per cent. of the aggregate face amount of the Certificates.
Periodic Distribution Dates	The 7th day of October in each year commencing on 7 October 2015.
Periodic Distributions	On each Periodic Distribution Date, Certificateholders will receive, from moneys received in respect of the Trust Assets for the Return Accumulation Period ending immediately prior to such date, a Periodic Distribution Amount calculated at the rate of 0.436 per cent. <i>per annum</i> on the outstanding face amount of the Certificates.
Return Accumulation Period	The period from and including the Closing Date to but excluding the first Periodic Distribution Date and each successive period from and including a Periodic Distribution Date to but excluding the next succeeding Periodic Distribution Date or, if earlier, the relevant Dissolution Date.
Scheduled Dissolution of the Trust	The Scheduled Dissolution Date is 7 October 2019. Upon receipt by the Trustee of the exercise price payable in accordance with the terms of the Purchase Undertaking, the exercise price will be applied to redeem the Certificates at the Dissolution

	Distribution Amount.
Early Dissolution of the Trust	Other than as a result of the occurrence of a Dissolution Event or a Total Loss Event, the Trust will not be subject to dissolution, and the Certificates will not be redeemed, prior to the Scheduled Dissolution Date.
Dissolution Events	The Dissolution Events are set out in Condition 12. Following the occurrence of a Dissolution Event which is continuing, the Certificates may be redeemed in full at the Dissolution Distribution Amount.
Dissolution Distribution Amount	The aggregate outstanding face amount of the Certificates plus all accrued and unpaid Periodic Distribution Amounts in respect of such Certificates.
Total Loss Event	<p>Save where the Lease Assets are replaced as provided in the Servicing Agency Agreement by the 30th day after the occurrence of a Total Loss Event, the occurrence of a Total Loss Event will result in the redemption of the Certificates and the consequent dissolution of the Trust. The Servicing Agent is responsible for ensuring that, in the event of a Total Loss Event occurring (save where the Lease Assets are replaced as referred to above), all insurance proceeds in respect thereof are paid in euro directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event.</p> <p>A Total Loss Event is the total loss or destruction of, or damage to the whole of, the Lease Assets or any event or occurrence that renders the whole of the Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical.</p>
Role of Delegate	<p>Pursuant to the Declaration of Trust, the Trustee shall (subject to the provisions of the Declaration of Trust) delegate to the Delegate all of the present and future duties, powers, authorities and discretions vested in the Trustee by certain provisions of the Declaration of Trust. In particular, the Delegate shall be entitled to:</p> <ul style="list-style-type: none"> (a) deliver an Exercise Notice to the Obligor in accordance with the Purchase Undertaking; and (b) following a Dissolution Event, take any enforcement action in the name of the Issuer against either the Obligor or the Lessee (subject to it being indemnified and/or secured and/or prefunded to its satisfaction).
Form and Delivery of the Certificates	<p>The Certificates will be issued in registered global form.</p> <p>The Certificates will be represented on issue by beneficial interests in the Global Certificate which will be deposited with LuxCSD. Definitive Certificates evidencing holdings of Certificates will be issued in exchange for interests in the Global Certificate only in the limited circumstances described under "<i>Global Certificate</i>".</p>
Clearance and Settlement	Holders of the Certificates must hold their interest in the Global Certificate in book-entry form through LuxCSD. Transfers within LuxCSD will be in accordance with its usual rules and operating procedures. The Certificates are also eligible for clearance and settlement through Clearstream Banking, société anonyme and Euroclear Bank SA/NV.
Face Amounts of the Certificates:	The Certificates will be issued in minimum face amounts of €100,000 and integral multiples of €1,000 in excess thereof.

Status of the Certificates	Each Certificate represents an undivided beneficial ownership interest in the Trust Assets and will rank <i>pari passu</i> , without any preference, with the other Certificates.
Transaction Account	The Principal Paying Agent will maintain and operate a euro account opened in the name of the Issuer (the Transaction Account). Payments to the Issuer by the Lessee and the Obligor under the Lease Agreement and the Purchase Undertaking, respectively, will be credited to the Transaction Account. Payments to the Trustee by the Servicing Agent under the Servicing Agency Agreement of the amount payable on a Total Loss Event will also be credited to the Transaction Account. Periodic Distribution Amounts and the Dissolution Distribution Amount will be paid to holders of the Certificates from funds standing to the credit of the Transaction Account in accordance with the order of priority described under “ <i>Priority of Distributions</i> ” below.
Priority of Distributions	<p>On each Periodic Distribution Date and on any Dissolution Date, the Principal Paying Agent shall apply the monies standing to the credit of the Transaction Account in the following order of priority:</p> <ul style="list-style-type: none"> (a) <i>first</i>, to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate; (b) <i>second</i>, to the Principal Paying Agent for application in or towards payment <i>pari passu</i> and rateably of all Periodic Distribution Amounts due and unpaid; (c) <i>third</i>, only if such payment is made on a Dissolution Date, to the Principal Paying Agent for application in or towards payment <i>pari passu</i> and rateably of the Dissolution Distribution Amount or amount payable on a Total Loss Event, as the case may be; (d) <i>fourth</i>, only if such payment is made on a Dissolution Date, to the Servicing Agent in or towards payment of all outstanding Servicing Agency Expenses; (e) <i>fifth</i>, only if such payment is made on a Dissolution Date, to the Issuer.
Limited Recourse	<p>Each Certificate represents an undivided beneficial ownership interest solely in the Trust Assets. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available from the Trust Assets.</p> <p>Certificateholders have no recourse to any assets of the Issuer or the Trustee (other than the Trust Assets) or the Obligor or the Lessee (to the extent that each of them fulfils all of its obligations under the Transaction Documents to which it is a party) in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Issuer and the Trustee shall be extinguished.</p>
Enforcement	<p>Following the distribution of the Trust Assets to the Certificateholders to the extent permitted under the Conditions and the Declaration of Trust, the Issuer and the Trustee shall not be liable for any further amounts and accordingly the Certificateholders may not take any action against the Issuer, the Trustee or any other person (including Luxembourg) to recover any such amount in respect of the Certificates or the Trust Assets.</p> <p>The Delegate shall not be bound in any circumstances to take any action, step or</p>

proceeding to enforce or to realise the Trust Assets or take any action, step or proceeding against the Issuer and/or Luxembourg under any Transaction Document unless (i) it shall be indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing and (ii) only if (other than where a Dissolution Notice has been given by the Delegate and the Delegate has been directed or requested to do so by the Certificateholders in accordance with Condition 12.1 and subject to there having been no Rescission Notice) directed or requested to do so (a) by a Resolution (as defined in the Declaration of Trust) provided that such Resolution is passed by persons holding or representing not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding or (b) in writing by the holders of not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding.

No Certificateholder shall be entitled to proceed directly against the Issuer, the Trustee, or Luxembourg unless the Delegate, having become bound so to proceed, fails to do so within a reasonable period of becoming so bound and such failure is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (except pursuant to the Purchase Undertaking) and the sole right of the Delegate and the Certificateholders against the Issuer, the Trustee, or Luxembourg shall be to enforce their respective obligations under the Transaction Documents.

The foregoing is subject to the following. After enforcing or realising the Trust Assets and distributing the net proceeds in accordance with Condition 4.2 and the Declaration of Trust, the obligations of the Issuer and the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Issuer, the Trustee or the Delegate or any other person to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished.

Withholding Tax

Subject to Condition 9, all payments by the Issuer under the Certificates are to be made without withholding or deduction for or on account of Luxembourg taxes, unless the withholding or deduction of the taxes is required by law. In such event, the Issuer will be required to pay additional amounts so that the full amount which otherwise would have been due and payable under the Certificates is received by Certificateholders. In order to fund such payment by the Issuer, Luxembourg will be required pursuant to the relevant Transaction Documents to pay such additional amounts to the Issuer.

All payments by each of the Lessee and the Obligor under the Transaction Documents are to be made without withholding or deduction for or on account of Luxembourg taxes, unless the withholding or deduction of the taxes is required by law. In such event, the Lessee or the Obligor, as the case may be, will be required pursuant to the relevant Transaction Documents to pay to the Trustee such additional amounts as may be necessary to ensure that the Trustee will receive the full amount which otherwise would have been due and payable.

Use of Proceeds

The proceeds of the issue of the Certificates will be paid by the Trustee on the Closing Date to the Seller as the purchase price for the Lease Assets.

Listing

Application has been made to the Luxembourg Stock Exchange for the Certificates to be admitted to the Official List and to trading on the Euro MTF Market.

Ratings

The Certificates are expected to be assigned a rating of "AAA" by Standard & Poor's

and "Aaa" by Moody's. A rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of repayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Certificateholder Meetings	A summary of the provisions for convening meetings of Certificateholders to consider matters relating to their interests as such is set out in Condition 16.
Tax Considerations	See " <i>Taxation</i> " for a description of certain tax considerations applicable to the Certificates.
Transaction Documents	The Transaction Documents are the Purchase Agreement, the Lease Agreement, the Servicing Agency Agreement, the Purchase Undertaking, the Substitution and Transfer Undertaking, the Declaration of Trust and the Agency Agreement.
Governing Law	<p>The Purchase Agreement, the Lease Agreement, the Servicing Agency Agreement, the Purchase Undertaking, the Substitution and Transfer Undertaking and the Agency Agreement will be governed by Luxembourg law.</p> <p>The Certificates and the Declaration of Trust will be governed by English law.</p>
Selling Restrictions	There are restrictions on the distribution of this Information Memorandum and the offer or sale of Certificates in the United States, the United Kingdom, Switzerland, the Kingdom of Bahrain, Malaysia, the Kingdom of Saudi Arabia, Singapore, the State of Qatar, Hong Kong, the United Arab Emirates (excluding the DIFC) and the DIFC.
Waiver of Immunity	Luxembourg, in the case of each of the Transaction Documents to which it is a party, and the Issuer and the Trustee, in the case of the Certificates, the Declaration of Trust and the Agency Agreement, will irrevocably agree, to the fullest extent permitted by law, not to claim, and to waive in connection with any proceedings which may be commenced, any immunity which it might be entitled to claim for itself or which might be attributed to it (whether on grounds of sovereignty or otherwise) from suit, from the jurisdiction of such courts and from enforcement or execution against its assets.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the Terms and Conditions of the Certificates which (subject to modification and except for the text in italics) will be endorsed on each Certificate in definitive form (if issued) and will, save as provided in “Global Certificate”, apply to the Global Certificate:

Each of the €200,000,000 0.436 per cent. Certificates due 2019 (the **Certificates**) is issued by Luxembourg Treasury Securities SA (the **Issuer**) and represents an undivided beneficial ownership interest in the Trust Assets (as defined in Condition 4.1) held on trust (the **Trust**) by the Issuer in its capacity as trustee (the **Trustee**) for the holders of such Certificates (the **Certificateholders**) pursuant to a declaration of trust (the **Declaration of Trust**) dated on or about 7 October 2014 (the **Closing Date**) made between the Issuer, in its capacity as issuer and as Trustee, the Grand Duchy of Luxembourg (**Luxembourg**) and BNP Paribas Trust Corporation UK Limited as the delegate of the Trustee (the **Delegate**).

Payments relating to the Certificates will be made pursuant to an agency agreement dated the Closing Date (the **Agency Agreement**) made between the Issuer and BNP Paribas Securities Services, Luxembourg Branch as principal paying agent (in such capacity, the **Principal Paying Agent** and, together with any further or other paying agents appointed from time to time in respect of the Certificates, the **Paying Agents**), as LuxCSD principal agent (the **LuxCSD Principal Agent**), as registrar (in such capacity, the **Registrar**) and as transfer agent (in such capacity, the **Transfer Agent** and, together with the Registrar and any further or other transfer agents appointed from time to time in respect of the Certificates, the **Transfer Agents**). The Paying Agents, the LuxCSD Principal Agent and the Transfer Agents are together referred to in these Conditions as the **Agents**. References to the Agents or any of them shall include their successors.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents (as defined in Condition 4.1). In these Conditions, words and expressions defined and rules of construction and interpretation set out in the Declaration of Trust shall, unless defined herein or the context otherwise requires, have the same meanings herein. Copies of the Transaction Documents are available for inspection during normal business hours at the specified offices of the Paying Agents. The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Issuer as Trustee, on behalf of the Certificateholders, (i) to apply the sums paid by it in respect of the Certificates in making payment to the Seller as the purchase price for the Lease Assets (each as defined in Condition 4.1) and (ii) to enter into each Transaction Document to which it is a party, subject to the provisions of the Declaration of Trust and these Conditions.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Certificates are issued in registered form in face amounts of €100,000 and integral multiples of €1,000 in excess thereof (each an **Authorised Denomination**). A Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Certificateholders (the **Register**).

Upon issue the Certificates will be represented by a Global Certificate. The Conditions are modified by certain provisions contained in the Global Certificate. Except in certain limited circumstances, owners of interests in the Global Certificate will not be entitled to receive definitive Certificates representing their holdings of Certificates. See “Global Certificate”.

1.2 Title

The Issuer will cause the Registrar to maintain the Register in respect of the Certificates outside the United Kingdom and in accordance with the provisions of the Agency Agreement. A copy of the Register will be sent to the Issuer on the Closing Date and promptly after any change to the holders of the Certificates is made by the Registrar, and such copy will be held by the Issuer at its registered office. In the case of discrepancies between the Register and the register held by the Issuer at its registered office, the register held by the Issuer at its registered office shall prevail for the purposes of Luxembourg law. Title to the Certificates passes only by registration in the Register. The registered holder of any Certificate will (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as the absolute owner of the Certificates represented by the Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate) and no person will be liable for so treating the holder of any Certificate. The registered holder of a Certificate will be recognised by the Issuer as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Certificate. In these Conditions, **Certificateholder** and (in relation to a Certificate) **holder** have the further meanings given thereto in the Declaration of Trust.

2. TRANSFERS OF CERTIFICATES

2.1 Transfers

Subject to Conditions 2.4 and 2.5, a Certificate may be transferred in an Authorised Denomination only by depositing the Certificate, with the form of transfer on the back duly completed and signed, at the specified office of any of the Transfer Agents.

Transfers of interests in the Global Certificate will be effected in accordance with the rules of LuxCSD, société anonyme.

2.2 Delivery of New Certificates

Each new Certificate to be issued upon any transfer of Certificates will, within five business days of receipt by the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), be delivered at the specified office of the relevant Transfer Agent or mailed by uninsured mail at the risk of the holder entitled to the Certificate to the address specified in the form of transfer. For the purposes of this Condition, **business day** shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Certificates in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Certificates not so transferred will, within five business days of receipt by the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

2.3 Formalities Free of Charge

Registration of any transfer of Certificates will be effected without charge by or on behalf of the Issuer or any Transfer Agent but upon payment (or the giving of such indemnity as the Issuer or any Transfer Agent may reasonably require) by the transferee in respect of any stamp duty, tax or other governmental charges which may be imposed in relation to such transfer.

2.4 **Closed Periods**

No Certificateholder may require the transfer of a Certificate to be registered during the period of seven days ending on (and including) the due date for any payment of the Dissolution Distribution Amount (as defined in Condition 8.1) or any Periodic Distribution Amount (as defined in Condition 6.1).

2.5 **Regulations**

All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning transfer of Certificates scheduled to the Declaration of Trust. The regulations may be changed by the Issuer from time to time with the prior written approval of the Registrar and the Delegate, provided that any such change is not materially prejudicial to the interests of the Certificateholders. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests in writing a copy of such regulations.

The holder of Certificates shall be entitled to receive, in accordance with Condition 2.2, only one Certificate in respect of his entire holding of Certificates. In the case of a transfer of a portion of the face amount of a Certificate, a new Certificate in respect of the balance of the Certificates not transferred will be issued to the transferor in accordance with Condition 2.2.

3. **STATUS AND LIMITED RECOURSE**

3.1 **Status**

Each Certificate evidences an undivided beneficial ownership interest in the Trust Assets, subject to the terms of the Declaration of Trust and these Conditions, and is a limited recourse obligation of the Issuer. Each Certificate ranks *pari passu*, without any preference or priority, with the other Certificates.

The payment obligations of Luxembourg under the Transaction Documents are and will be direct, unconditional, unsubordinated and unsecured obligations of Luxembourg and (save for such mandatory exceptions as may be provided by applicable legislation and regulations) shall at all times rank at least pari passu with all other direct, unsecured, unsubordinated and unconditional obligations of Luxembourg.

3.2 **Limited Recourse**

The proceeds of the Trust Assets are the sole source of payments on the Certificates. Save as provided in the next sentence, the Certificates do not represent an interest in or obligation of any of the Issuer, the Obligor, the Lessee or the Delegate. Accordingly, Certificateholders, by subscribing for or acquiring the Certificates, acknowledge that they will have no recourse to any assets of the Issuer, the Trustee (other than the Trust Assets), the Obligor, the Lessee or the Delegate (to the extent that each of them fulfils all of its obligations under the Transaction Documents to which it is a party) in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted, following which all obligations of the Issuer shall be extinguished.

Each of the Obligor and the Lessee (each as defined in Condition 4.1) is obliged to make certain payments under the Transaction Documents directly to the Trustee and the Delegate will have direct recourse against the Obligor and the Lessee to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Certificates, subject to Condition 13, no holder of Certificates will have any claim against the Issuer or the Trustee (to the extent the Trust Assets have been exhausted), the Obligor, the Lessee or the Delegate (to the extent that each fulfils all of its obligations under the Transaction Documents to which it is a party) or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished.

3.3 Agreement of Certificateholders

By purchasing Certificates, each Certificateholder is deemed to have agreed that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (a) no payment of any amount whatsoever shall be made by or on behalf of the Issuer or the Trustee or the Delegate except to the extent funds are available therefor from the Trust Assets and further agrees that no recourse shall be had for the payment of any amount owing hereunder or under any Transaction Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon any Transaction Document, against the Issuer or the Trustee to the extent the Trust Assets have been exhausted following which all obligations of the Issuer and the Trustee shall be extinguished; and
- (b) no recourse (whether by institution or enforcement of any legal proceeding or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Issuer or the Trustee or the Delegate arising under these Conditions or otherwise in connection with the Certificates by virtue of any law, statute or otherwise shall be had against any shareholder, officer or director of the Issuer or the Trustee or the Delegate in their capacity as such and any and all personal liability of every such shareholder, officer or director in their capacity as such for any breaches by the Issuer or the Trustee or the Delegate of any such duty, obligation or undertaking is hereby expressly waived and excluded to the extent permitted by law.

4. TRUST

4.1 Summary of the Trust

The Trustee will enter into a purchase agreement (the **Purchase Agreement**) on the Closing Date with Luxembourg (in such capacity, the **Seller**). Pursuant to the Purchase Agreement the Seller will sell certain assets (the **Lease Assets**) to the Trustee. The Trustee will, with effect from the Closing Date, lease the Lease Assets (in such capacity, the **Lessor**) to Luxembourg (in such capacity, the **Lessee**) pursuant to a Lease Agreement to be dated the Closing Date. Under a servicing agency agreement (the **Servicing Agency Agreement**) to be dated the Closing Date the Lessor will appoint Luxembourg as servicing agent (in such capacity, the **Servicing Agent**) in respect of the Lease Assets.

Upon the occurrence of a Total Loss Event (as defined in Condition 8.3) (save where Luxembourg replaces the Lease Assets pursuant to the Servicing Agency Agreement by the 30th day after the occurrence of the Total Loss Event), the Certificates will be redeemed and the Trust will be dissolved by the Trustee in accordance with Condition 8.3. The Certificates will be redeemed in accordance with Condition 8.3 using either the proceeds of insurance payable in respect of the Total Loss Event or, if a Total Loss Event occurs and an amount (if any) less than the Insurance Coverage Amount (as defined in the Servicing Agency Agreement, which is intended to be an amount equal to the aggregate face amount of the Certificates then outstanding) is credited to the Transaction Account in accordance with the Servicing Agency Agreement (the difference between the Insurance Coverage Amount and the amount credited to the Transaction Account being the **Total Loss Shortfall Amount**), the aggregate of the insurance proceeds so credited and the Total Loss Shortfall Amount payable by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement together, in each case, with all accrued and unpaid Periodic Distribution Amounts in respect of such Certificates.

Luxembourg (in such capacity, the **Obligor**) will enter into a purchase undertaking (the **Purchase Undertaking**) to be dated the Closing Date in favour of the Trustee, pursuant to which it will unconditionally and irrevocably undertake to purchase the Lease Assets from the Trustee on the Scheduled Dissolution Date (as defined in Condition 8.1) or, if earlier, on the due date for dissolution in accordance with Condition 12 at the Dissolution Distribution Amount.

The Trustee will execute a substitution and transfer undertaking (the **Substitution and Transfer Undertaking**) to be dated the Closing Date in favour of Luxembourg. Pursuant to the Substitution and Transfer Undertaking, Luxembourg may, by exercising its option under the Substitution and Transfer Undertaking and serving notice on the Trustee, require the substitution at any time of the Lease Assets and require the transfer of Lease Assets against the cancellation of Certificates purchased pursuant to Condition 11.

The Issuer has established a transaction account (the **Transaction Account**) in the name of the Issuer with the Principal Paying Agent into which Luxembourg (acting in its capacities as Lessee and Obligor) will deposit all amounts due to the Issuer under the Lease Agreement and the Purchase Undertaking, respectively.

Pursuant to the Declaration of Trust, the Trustee holds certain assets (the **Trust Assets**) consisting of:

- (a) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Lease Assets;
- (b) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than in relation to any representations given to the Trustee by Luxembourg pursuant to any of the Transaction Documents);
- (c) all monies standing to the credit of the Transaction Account from time to time,

and all proceeds of the foregoing on trust absolutely for the holders of the Certificates *pro rata* according to the face amount of Certificates held by each holder in accordance with the Declaration of Trust and these Conditions.

The Purchase Agreement, the Lease Agreement, the Servicing Agency Agreement, the Purchase Undertaking, the Substitution and Transfer Undertaking, the Declaration of Trust and the Agency Agreement are together referred to in these Conditions as the **Transaction Documents**.

4.2 Application of Proceeds from Trust Assets

On each Periodic Distribution Date and on any Dissolution Date (as defined in Condition 8.1), the Principal Paying Agent shall apply the monies standing to the credit of the Transaction Account in the following order of priority:

- (a) *first*, to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate;
- (b) *second*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;
- (c) *third*, only if such payment is made on a Dissolution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of the Dissolution Distribution Amount or amount payable on a Total Loss Event, as the case may be;
- (d) *fourth*, only if such payment is made on a Dissolution Date, to the Servicing Agent in or towards payment of all outstanding Servicing Agency Expenses (as defined in the Lease Agreement); and
- (e) *fifth*, only if such payment is made on a Dissolution Date, to the Issuer.

5. COVENANTS

The Issuer covenants that for so long as any Certificate is outstanding, it shall not (without the prior written consent of the Delegate and as provided in Condition 16):

- (a) incur any indebtedness in respect of borrowed money whatsoever (including by way of any analogous Islamic financing transaction), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;
- (b) grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law);
- (c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Assets except pursuant to the Transaction Documents;
- (d) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;
- (e) amend or agree to any amendment of any Transaction Document to which it is a party or its articles of association;
- (f) act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;
- (g) have any subsidiaries or employees;
- (h) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders;
- (i) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; and
- (j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:
 - (i) any such contract, transaction, amendment, obligation or liability in relation to its operations that is of a routine or administrative nature;
 - (ii) as provided for or permitted in the Transaction Documents;
 - (iii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
 - (iv) such other matters which are incidental thereto.

6. PERIODIC DISTRIBUTIONS

6.1 Periodic Distribution Amounts and Periodic Distribution Dates

Subject to Condition 4.2 and Condition 7, the Principal Paying Agent shall distribute to holders of the Certificates, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account, a distribution in relation to the Certificates (the amount of such distribution, a **Periodic Distribution Amount**) on each Periodic Distribution Date at the rate of 0.436 per cent. *per annum* (the **Periodic Distribution Rate**)

of the face amount of the Certificates. For this purpose, **Periodic Distribution Date** means 7 October in each year commencing on 7 October 2015 and, subject to Condition 6.3, ending on 7 October 2019.

6.2 **Calculation of Periodic Distribution Amounts payable other than on a Periodic Distribution Date**

If a Periodic Distribution Amount is required to be calculated in respect of a period of less than a full Return Accumulation Period (the **Relevant Period**), the Periodic Distribution Amount shall be calculated by applying the Periodic Distribution Rate to the face amount of the Certificates and multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest cent, half a cent being rounded upwards or otherwise in accordance with applicable market convention.

For these purposes, **Day Count Fraction** means, in respect of the calculation of a Periodic Distribution Amount in relation to the Certificates in accordance with this Condition 6.2, (a) the actual number of days in the period from and including the date from which such Periodic Distribution Amount begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Periodic Distribution Date. The period from and including 7 October 2014 to but excluding the first Periodic Distribution Date and each successive period from and including a Periodic Distribution Date to but excluding the next succeeding Periodic Distribution Date is called a **Return Accumulation Period**.

6.3 **Cessation of Accrual**

No further amounts will be payable on any Certificate from and including its due date for redemption, unless default is made in payment of the Dissolution Distribution Amount in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition 6.

7. **PAYMENT**

7.1 **Payments in respect of the Certificates**

Subject to Condition 7.2, payment of the Dissolution Distribution Amount and any Periodic Distribution Amount will be made by the Principal Paying Agent in euro by wire transfer in same day funds to the registered account of each Certificateholder or by euro cheque drawn on a bank that processes payments in euro mailed to the registered address of the Certificateholder if it does not have a registered account. Payments of the Dissolution Distribution Amount will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. The Dissolution Distribution Amount and each Periodic Distribution Amount will be paid to the holder shown on the Register at the close of business on the date (the **record date**) being the seventh day before the date on which the Dissolution Distribution Amount or the relevant Periodic Distribution Amount, as the case may be, is paid.

For the purposes of this Condition 7, a Certificateholder's **registered account** means the euro account maintained by or on behalf of it with a bank that processes payments in euro, details of which appear on the Register at the close of business on the relevant record date, and a Certificateholder's **registered address** means its address appearing on the Register at that time.

7.2 **Payments subject to Applicable Laws**

Payments in respect of Certificates are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 9.

7.3 **Payment only on a Payment Business Day**

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, in each case by the

Principal Paying Agent, on the due date for payment or, in the case of a payment of the Dissolution Distribution Amount, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of a Paying Agent for value as soon as practicable thereafter.

Certificateholders will not be entitled to any additional payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the relevant Certificateholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition 7.3 arrives after the due date for payment.

If the amount of the Dissolution Distribution Amount or any Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount in fact paid.

In this Condition:

Payment Business Day means a day (i) on which commercial banks and foreign exchange markets in Luxembourg are open for general business and, in the case of presentation of a Certificate, in the place in which the Certificate is presented and (ii) which is a TARGET2 Settlement Day; and

TARGET2 Settlement Day means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer2 (TARGET2) System is open for business.

7.4 Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that (a) it will at all times maintain a Principal Paying Agent and a Registrar (which may be the same entity) and (b) it will at all times maintain a Paying Agent (which may be the Principal Paying Agent) having its specified office in Luxembourg for so long as the Certificates are listed on the Luxembourg Stock Exchange. Notice of any termination or appointment and of any changes in specified offices will be given to Certificateholders promptly by the Issuer in accordance with Condition 15.

8. CAPITAL DISTRIBUTIONS OF THE TRUST

8.1 Scheduled Dissolution

Unless the Certificates are previously redeemed or purchased and cancelled, the Issuer will redeem each Certificate at the Dissolution Distribution Amount on the Periodic Distribution Date falling on 7 October 2019 (the **Scheduled Dissolution Date**). Upon payment in full of the Dissolution Distribution Amount to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Issuer and the Trustee shall have no further obligations in respect thereof.

In these Conditions, **Dissolution Date** means any of the Scheduled Dissolution Date, the Total Loss Dissolution Date and any date specified by the Delegate in accordance with Condition 12 and **Dissolution Distribution Amount** in relation to a Certificate means its outstanding face amount plus all accrued and unpaid Periodic Distribution Amounts in respect of such Certificate.

8.2 Dissolution Following a Dissolution Event

Upon the occurrence of a Dissolution Event (as defined in Condition 12) which is continuing, the Certificates may be redeemed at the Dissolution Distribution Amount and the Trust dissolved as more particularly specified in Condition 12.

8.3 **Dissolution following a Total Loss Event**

Upon the occurrence of a Total Loss Event and unless the Lease Assets are replaced as provided in the Servicing Agency Agreement by the 30th day after the occurrence of the Total Loss Event, the Certificates will be redeemed and the Trust dissolved by the Trustee on the 30th day after the occurrence of the Total Loss Event (the **Total Loss Dissolution Date**). The Certificates will be redeemed at their outstanding face amount using the proceeds of insurance payable in respect of the Total Loss Event which (save where the Lease Assets are so replaced) are required to be not less than such face amount and paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event, together with all unpaid Periodic Distribution Amounts in respect of such Certificates accrued up to the date of the occurrence of the Total Loss Event. Notice of redemption pursuant to this Condition 8.3 will be given to Certificateholders by the Issuer in accordance with Condition 15.

A **Total Loss Event** is the total loss or destruction of, or damage to the whole of, the Lease Assets or any event or occurrence that renders the whole of the Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical.

*The Servicing Agency Agreement provides that if the obligations of the Servicing Agent thereunder are not strictly complied with and as a result any insurance proceeds credited to the Transaction Account are less than the Insurance Coverage Amount (as defined therein) (the difference between the Insurance Coverage Amount and the amount (if any) credited to the Transaction Account being the **Total Loss Shortfall Amount**), the Servicing Agent shall be responsible for paying the Total Loss Shortfall Amount into the Transaction Account by no later than the 30th day after the Total Loss Event has occurred.*

8.4 **No other Dissolution**

The Issuer shall not be entitled to redeem the Certificates, and the Trustee shall not be entitled to dissolve the Trust, otherwise than as provided in this Condition 8, Condition 11 and Condition 12.

8.5 **Cancellations**

All Certificates which are redeemed will forthwith be cancelled and accordingly may not be held, reissued or resold.

9. **TAXATION**

All payments in respect of the Certificates shall be made without withholding or deduction for, or on account of, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature, imposed or levied by or on behalf of the Grand Duchy of Luxembourg or any political sub-division or authority thereof or therein having power to tax (**Taxes**), unless the withholding or deduction of the Taxes is required by law. In such event, the Issuer will pay additional amounts so that the full amount which otherwise would have been due and payable under the Certificates is received by Certificateholders, except that no such additional amount shall be payable in relation to any payment in respect of any Certificate:

- (a) presented for payment (where presentation is required) by or on behalf of a holder who is liable for such Taxes in respect of such Certificate by reason of having some connection with the Grand Duchy of Luxembourg or any political sub-division or authority thereof or therein having power to tax other than the mere holding of such Certificate; or
- (b) presented for payment (where presentation is required) by a Certificateholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

- (c) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Payment Business Day; or
- (d) where such withholding or deduction is imposed on a payment to an individual or a residual entity (as defined by article 4.2 of the European Council Directive 2003/48/EC on the taxation of savings income) and is required to be made pursuant to (i) European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive (including the agreements concluded by each member of the European Union with the relevant dependent or associated territories of the European Union, aiming to apply measures similar to those deriving from the Directive or any law implementing or complying with, or introduced in order to conform to, such agreements) or (ii) the law dated 23 December 2005 as amended by the law dated 17 July 2008.

In these Conditions, references to the **Dissolution Distribution Amount** or any **Periodic Distribution Amount** payable in respect of a Certificate shall be deemed to include any additional amounts payable under this Condition 9. In addition, in these Conditions **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Delegate on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to Certificateholders by the Issuer in accordance with Condition 15.

The Lease Agreement and the Purchase Undertaking each provide that (a) payments thereunder by the Lessee and the Obligor, respectively, shall be made without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law and, in such case, provide for the payment by the Lessee and the Obligor, respectively, of additional amounts so that the full amount which would otherwise have been due and payable is received by the Issuer and (b) if the Issuer is required to make any payment under the Certificates after deduction or withholding for (i) any taxes or (ii) as otherwise required by applicable law, the Lessee will pay to the Lessor on demand an additional amount of Rental so that the net amount paid by the Issuer will equal the full amount which would have been paid by the Issuer had no such deduction or withholding been made.

10. PRESCRIPTION

The right to receive distributions in respect of the Certificates will be forfeited unless claimed within periods of ten years (in the case of the Dissolution Distribution Amount) and five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof, subject to the provisions of Condition 7.

11. PURCHASE OF CERTIFICATES

11.1 Purchases

Luxembourg may at any time purchase Certificates in any manner and at any price. Such Certificates may, at the option of Luxembourg, be held, resold or surrendered to the Principal Paying Agent for cancellation. Any Certificates so surrendered, will forthwith be cancelled and accordingly may not be reissued or resold.

11.2 Transfer of Lease Assets

Following any purchase of Certificates by Luxembourg pursuant to Condition 11.1, Luxembourg may oblige the Trustee pursuant to the Substitution and Transfer Undertaking to transfer specified Lease Assets to Luxembourg (the **Cancellation Lease Assets**) against the delivery of the Certificates so purchased to the Principal Paying Agent for cancellation (the **Cancellation Certificates**), provided that the value (as determined by reference to the relevant internal government valuation of the Cancellation Lease Assets on the date on which the Cancellation Lease Assets were acquired by the Trustee) of the Cancellation Lease Assets

(the identity of which may otherwise be determined by Luxembourg in its sole and absolute discretion) is equal to the aggregate face amount of the Cancellation Certificates.

12. DISSOLUTION EVENTS

12.1 Upon the occurrence and continuation of any of the following events (**Dissolution Events**):

- (a) the failure to pay on the due date the Dissolution Distribution Amount and for more than fourteen (14) days with respect to any Periodic Distribution Amount; or
- (b) the failure by the Issuer or the Trustee to execute any other provision of these Conditions, the Certificates or the Declaration of Trust which failure is, in the opinion of the Delegate, incapable of remedy or, if in the opinion of the Delegate is capable of remedy, is not remedied within ninety (90) calendar days from the receipt by the Issuer or the Trustee of written notice from the Delegate of that failure; or
- (c) a Luxembourg Event (as defined in the Purchase Undertaking) occurs; or
- (d) either (i) the Issuer becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator, receiver, liquidator, juge, délégué, commissaire, juge-commissaire, liquidateur or curateur of the whole or substantially the whole of the undertaking, assets and revenues of the Issuer is appointed (or application for any such appointment is made), (iii) the Issuer takes any action for a readjustment or deferment of any of its obligations, reprieve from payment (*sursis de paiement*) or controlled management (*gestion contrôlée*) or makes a general assignment or an arrangement or composition (*concordat préventif de faillite*) with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it, (iv) the Issuer ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (e) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer,

the Delegate as soon as practicable upon receiving notice thereof under the Declaration of Trust or otherwise upon becoming aware thereof, shall give notice of the occurrence of such Dissolution Event to the holders of Certificates in accordance with Condition 15 with a request to such holders to indicate if they wish the Certificates to be redeemed, the Trust to be dissolved and (subject to no Rescission Notice having been given) the Delegate to enforce the provisions of the Purchase Undertaking against the Obligor in the event that, upon becoming due and payable pursuant to this Condition 12, any amount is not paid in full when due; provided, however, that in the case of an event described in paragraph (b) above and paragraph (b) of the definition of Luxembourg Event, such notice may only be given if the Delegate is of the opinion that the event is materially prejudicial to the interests of the Certificateholders. If so directed or requested to do so (a) by a Resolution provided that such Resolution is passed by persons holding or representing not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding or (b) in writing by the holders of not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding, the Delegate shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Issuer, Luxembourg and all the holders of the Certificates in accordance with Condition 15 (the **Dissolution Notice**) that the Certificates are to be redeemed at the Dissolution Distribution Amount and such amount shall be due and payable on the date specified in such notice. Upon payment in full of such amounts, the Trust will terminate, the Certificates shall cease to represent the Trust Assets and no further amounts shall be payable in respect thereof and the Issuer and the Trustee shall have no further obligations in respect thereof.

The holders of the Certificates then outstanding may (subject to the directing holders indemnifying and/or securing and/or prefunding the Delegate to its satisfaction) by (a) a Resolution provided that such Resolution is passed by persons holding or representing more than 50 per cent. of the aggregate face amount of the

Certificates then outstanding or (b) notice in writing from holders of more than 50 per cent. of the aggregate face amount of the Certificates then outstanding, direct the Delegate to rescind the Dissolution Notice by giving notice (the **Rescission Notice**) to the Issuer and Luxembourg that the Dissolution Event or Dissolution Events specified in the Dissolution Notice is or are cured whereupon the Dissolution Notice shall be rescinded and shall have no further effect and any amounts that had become immediately due and payable pursuant to such Dissolution Notice and had not been paid shall remain outstanding on the terms and conditions applicable prior to such Dissolution Notice and any Dissolution Event referred to in such Dissolution Notice or resulting from a failure to pay any amount that had become due and payable pursuant to such Dissolution Notice shall be irrevocably waived. No such rescission shall affect any other or any subsequent Dissolution Event or any right of the Trustee, the Delegate or any Certificateholder in relation thereto. Such rescission will be conclusive and binding on all Certificateholders.

- 12.2 Upon the occurrence and continuation of a Dissolution Event, and further to the giving of a Dissolution Notice and subject to no Rescission Notice having been given, to the extent that any amount has become due and payable in accordance with this Condition 12 but is not paid in full when due, the Delegate, subject to it being indemnified and/or secured and/or prefunded to its satisfaction and if so directed or requested to do so in accordance with Condition 12.1 by the Certificateholders, shall (acting for the benefit of the Certificateholders) as soon as reasonably practicable enforce the provisions of the Purchase Undertaking against the Obligor.
- 12.3 For the purpose of this Condition 12, amounts shall be considered due in respect of the Certificates (including any amounts calculated as being payable under Condition 6 and Condition 8) notwithstanding that the Issuer has, at the relevant time, insufficient funds or Trust Assets to pay such amounts.

13. ENFORCEMENT AND EXERCISE OF RIGHTS

- 13.1 Following the distribution in full of the proceeds of the Trust Assets in respect of the Certificates to the Certificateholders in accordance with these Conditions and the Declaration of Trust, the Issuer shall not be liable for any further sums and, accordingly, Certificateholders may not take any action against the Issuer or any other person to recover any such sum in respect of the Certificates or Trust Assets.
- 13.2 The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action, step or proceeding against the Issuer and/or Luxembourg under any Transaction Document unless (i) it shall be indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing and (ii) only if (other than where a Dissolution Notice has been given by the Delegate and the Delegate has been directed or requested to do so by the Certificateholders in accordance with Condition 12.1 and subject to there having been no Rescission Notice) directed or requested to do so (a) by a Resolution provided that such Resolution is passed by persons holding or representing not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding or (b) in writing by the holders of not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding.
- 13.3 No Certificateholder shall be entitled to proceed directly against the Issuer or Luxembourg unless the Delegate, having become bound so to proceed, fails to do so within a reasonable period of becoming so bound and such failure is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than pursuant to the Purchase Undertaking) and the sole right of the Trustee, the Delegate and the Certificateholders against the Trustee, the Issuer or Luxembourg shall be to enforce their respective obligations under the Transaction Documents to which they are a party.
- 13.4 The foregoing paragraphs in this Condition are subject to this paragraph. After enforcing or realising the Trust Assets and distributing the proceeds of the Trust Assets in accordance with Condition 4.2 and the Declaration of Trust, the obligations of the Issuer in respect of the Certificates shall be satisfied and no holder of the Certificates may take any further steps against the Issuer, the Trustee, the Delegate or any other person to

recover any further sums in respect of the Certificates and the right to receive any sums unpaid shall be extinguished.

14. REPLACEMENT OF CERTIFICATES

Should any Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer or Luxembourg may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15. NOTICES

All notices to Certificateholders will be valid if:

- (a) published in a leading English language daily newspaper published in London or in another English language daily newspaper with general circulation in Europe and, so long as the Certificates are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, the Luxembourg Stock Exchange's website (www.bourse.lu); or
- (b) mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective registered addresses.

The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation. Any notice shall be deemed to have been given on the day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

16. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

- 16.1 The provisions of articles 86 to 94-8 of the Luxembourg Act dated 10 August 1915 on commercial companies, as amended (the **Companies Act 1915**) will not apply in respect of the Certificates. To the fullest extent permissible under applicable law, no Certificateholder may initiate proceedings against the Issuer based on article 98 of the Companies Act 1915.
- 16.2 Any resolution of the Certificateholders to amend the corporate objects of the Issuer, the form of the Issuer, to change the nationality of the Issuer and/or increasing the commitments of the shareholders of the Issuer may only be taken, and any meetings of Certificateholders resolving thereupon must be convened and held, in accordance with the Companies Act 1915 as long as any specific requirements exist in this respect in the Companies Act 1915 (the **Luxembourg Law Resolutions**). A Luxembourg Law Resolution must be passed in accordance with the requirements of the Companies Act 1915. There are specific quorum requirements for Luxembourg Law Resolutions set out in the Companies Act 1915. Luxembourg Law Resolutions passed at any meeting of the Certificateholders will be binding on all Certificateholders, whether or not they are present at the meeting. If there cease to be specific requirements under Luxembourg law for the above matters, the resolutions will be taken in the form of a Resolution.
- 16.3 The Declaration of Trust contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Resolution of these Conditions or the provisions of the Declaration of Trust. The following paragraphs constitute a summary of the relevant provisions in the Declaration of Trust:

- (a) **Convening a meeting of Certificateholders**

A meeting of Certificateholders:

- (i) may be convened by the Issuer, Luxembourg or the Delegate at any time; and
- (ii) will be convened by the Issuer if a Dissolution Event in relation to the Certificates has occurred and is continuing and a meeting is requested in writing by the holders of not less than 10 per cent. of the aggregate face amount of the Certificates then outstanding and if the Issuer fails to convene a meeting within 14 days of such request, the same may be convened by the Delegate at the request of any of such holders (subject to the Delegate being indemnified and/or secured and/or prefunded to its satisfaction).

(b) **Quorum**

The quorum for any meeting at which Certificateholders will vote on a proposal and/or proposed modification in relation to a:

- (i) Reserved Matter, will be one or more persons present holding or representing not less than 66 2/3 per cent. of the aggregate face amount of the Certificates then outstanding (including for any adjourned such meeting); and
- (ii) non-Reserved Matter, will be one or more persons present holding or representing not less than 50 per cent. of the aggregate face amount of the Certificates then outstanding (or not less than 25 per cent. for any adjourned such meeting), or:
 - (A) in the case of a proposal in relation to a Dissolution Notice or any other direction or request for the Delegate to take any other action, step or proceeding to enforce or to realise the Trust Assets or take any other action, step or proceeding against the Issuer and/or Luxembourg under any Transaction Document, not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding, including for any adjourned such meeting; or
 - (B) in the case of a proposal in relation to a Rescission Notice, more than 50 per cent. of the aggregate face amount of the Certificates then outstanding, including for any adjourned such meeting.

(c) **Reserved Matter**

In relation to the Certificates, **Reserved Matter** means any proposal and/or modification that would, if approved:

- (i) change the date on which any amount is payable on the Certificates and/or under the Transaction Documents;
- (ii) reduce any amount, including any overdue amount, payable on the Certificates and/or under the Transaction Documents;
- (iii) change the method used to calculate any amount payable on the Certificates and/or under the Transaction Documents;
- (iv) reduce the redemption price for the Certificates or change any date on which the Certificates may be redeemed and/or reduce any amount or change the date on which any amount is payable in each case under the Transaction Documents
- (v) change the currency or place of payment of any amount payable on the Certificates and/or under the Transaction Documents;

- (vi) impose any condition on or otherwise modify the Issuer's obligation to make payments on the Certificates and/or any obligation of Luxembourg to make payments under the Transaction Documents;
- (vii) change any payment-related circumstance under which the Certificates may be declared due and payable prior to their stated maturity and/or any payment may be required to be made by Luxembourg under the Transaction Documents;
- (viii) change the seniority or ranking of the Certificates and/or of any obligations of Luxembourg under the Transaction Documents;
- (ix) other than in accordance with the express terms of the Certificates and any relevant debt securities of Luxembourg, change the outstanding face amount of the Certificates or, in the case of a Cross-Series Modification and/or Cross-Series Proposal (both as defined below), the nominal or face amount of any other debt securities of Luxembourg or certificates in respect of, or other obligations of Luxembourg pursuant to, any other Islamic financing transaction of Luxembourg analogous to the Certificates required to approve any proposal or proposed modification in relation to the Certificates, the face amount of outstanding Certificates required for a quorum to be present, or the rules for determining whether a Certificate is outstanding for these purposes; or
- (x) change the definition of a Reserved Matter.

(d) **Reserved Matters Proposals and/or Modification**

Except as provided in Condition 16.3(f) below and without prejudice to the rights and powers of the Delegate under the Declaration of Trust, any modification in relation to, or proposal relating to, a Reserved Matter affecting the terms and conditions of the Certificates and/or any Transaction Document may only be approved with the consent of the Issuer, Luxembourg and:

- (i) the affirmative vote of one or more persons present holding or representing not less than 75 per cent. of the aggregate face amount of the Certificates then outstanding represented at a duly convened and quorate meeting of Certificateholders; or
- (ii) a written resolution signed by or on behalf of a holder or holders of not less than 66 2/3 per cent. of the aggregate face amount of the Certificates then outstanding.

(e) **Non-Reserved Matters Proposals and/or Modification**

Save as otherwise provided in the Declaration of Trust, any modification in relation to, or proposal relating to, any matter other than a Reserved Matter affecting the terms and conditions of the Certificates (including a proposal in relation to a Dissolution Notice or Rescission Notice) and/or any Transaction Document may only be approved, with the consent of the Issuer and Luxembourg (provided that the consent of the Issuer and Luxembourg shall not be required for any proposal in relation to a Dissolution Notice, a Rescission Notice or in connection with any request by the Delegate for directions from Certificateholders) and:

- (i) the affirmative vote of one or more persons present holding or representing more than 50 per cent. of the aggregate face amount of the Certificates then outstanding represented at a duly convened and quorate meeting of Certificateholders; or
- (ii) a written resolution signed by or on behalf of a holder or holders of more than 50 per cent. of the aggregate face amount of the Certificates then outstanding,

provided that in the case of (A) a proposal in relation to any Dissolution Notice (or any other direction or request for the Delegate to take any other action, step or proceeding to enforce or to realise the Trust Assets or take any other action, step or proceeding against the Issuer and/or Luxembourg under any Transaction Document) such affirmative vote referred to above must also represent the affirmative vote of persons holding or representing not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding and in the case of (B) a proposal in relation to any Rescission Notice such affirmative vote referred to above must also represent the affirmative vote of persons holding or representing more than 50 per cent. of the aggregate face amount of the Certificates then outstanding.

(f) **Cross-Series Modifications and Cross-Series Proposals**

Without prejudice to the rights and powers of the Delegate under the Declaration of Trust, any Cross-Series Modification and/or a Cross-Series Proposal relating to a Reserved Matter that affects the Certificates and any other Series of Debt Securities may only be approved, with the consent of the Issuer, Luxembourg and:

- (i) (A) the affirmative vote of not less than 75 per cent. of the aggregate nominal or face amount, as the case may be, of the outstanding Debt Securities represented at separate duly convened and quorate meetings of the holders of the Debt Securities of all of the Series (taken in the aggregate) that would be affected by the proposed modification and/or proposal; or
- (B) written resolutions signed by or on behalf of the holders of not less than 66 2/3 per cent. of the aggregate nominal or face amount, as the case may be, of the outstanding Debt Securities of all of the Series (taken in the aggregate) that would be affected by the proposed modification and/or proposal; and
- (ii) (A) the affirmative vote of more than 66 2/3 per cent. of the aggregate nominal or face amount, as the case may be, of the outstanding Debt Securities represented at separate duly convened and quorate meetings of the holders of each Series of Debt Securities (taken individually) that would be affected by the proposed modification and/or proposal; or
- (B) written resolutions signed by or on behalf of the holders of more than 50 per cent. of the aggregate nominal or face amount, as the case may be, of the then outstanding Debt Securities of each Series (taken individually) that would be affected by the proposed modification and/or proposal.

A separate meeting for each affected Series of Debt Securities will be called and held, or a separate written resolution signed for each affected Series of Debt Securities, in relation to the proposed Cross-Series Modification or Cross-Series Proposal except as permitted otherwise in accordance with the terms and conditions of such Debt Security or any agreement governing the issuance, constitution or administration of such Debt Security.

For the purposes of this Condition 16.3(f):

- (1) **Debt Securities** means the Certificates and any other bills, bonds, debentures, notes or other debt securities issued by Luxembourg in one or more series with an original stated maturity of more than one year, and includes any such obligation, irrespective of its original stated maturity, that formerly constituted a component part of a Debt Security and shall include any certificates in respect of, or other obligations of Luxembourg pursuant to, any other Islamic financing transaction of Luxembourg analogous to the Certificates;

- (2) **Cross-Series Modification** means a modification involving (i) the Certificates or any Transaction Document, and (ii) one or more other Series of Debt Securities or any agreement governing the issuance or administration of such other Series of Debt Securities;
- (3) **Cross-Series Proposal** means a proposal or matter for consideration affecting or concerning (i) the Certificates or any Transaction Document, and (ii) one or more other Series of Debt Securities or any agreement governing the issuance, constitution or administration of such other Series of Debt Securities; and
- (4) **Series** means a tranche of Debt Securities, together with any further tranche or tranches of Debt Securities that in relation to each other and to the original tranche of Debt Securities are (i) identical in all respects except for their date of issuance or first payment date, and (ii) expressed to be consolidated and form a single series.

(g) **Written Resolutions**

A written resolution signed by or on behalf of holders of the requisite majority of the Certificates will be valid for all purposes as if it was a resolution passed at a meeting of Certificateholders duly convened and held in accordance with these provisions. A written resolution may be set out in one or more documents in like form each signed by or on behalf of one or more Certificateholders.

(h) **Binding Effect**

A resolution duly passed at a duly convened and quorate meeting of Certificateholders and a written resolution duly signed by the requisite majority of Certificateholders, will be binding on all Certificateholders, whether or not a Certificateholder is present or represented at the meeting, voted for or against the resolution or signed the written resolution.

- 16.4 The Delegate may agree, without the consent or sanction of the Certificateholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Declaration of Trust or any other Transaction Document, or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or Potential Dissolution Event (as defined in the Declaration of Trust) shall not be treated as such, which in any such case is not, in the opinion of the Delegate, materially prejudicial to the interests of Certificateholders (and is, in the case of a modification, other than in respect of a Reserved Matter) or may agree, without any such consent or sanction as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest or proven (to the satisfaction of the Delegate) error.
- 16.5 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), the Delegate shall have regard to the general interests of the Certificateholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Certificateholders (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 Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim from the Delegate or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders.
- 16.6 Any modification, abrogation, waiver, authorisation or determination shall be binding on all the Certificateholders and shall be notified to the Certificateholders as soon as practicable thereafter in accordance with Condition 15.

17. INDEMNIFICATION AND LIABILITY OF THE DELEGATE AND THE TRUSTEE

- 17.1 The Declaration of Trust contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking any action, step or proceeding unless indemnified and/or secured and/or prefunded to its satisfaction.
- 17.2 The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of Luxembourg under the Transaction Documents and shall not under any circumstances have any liability or be obliged to account to the Certificateholders in respect of any payments which should have been made by Luxembourg but are not so paid and shall not in any circumstances have any liability arising from the Trust Assets.
- 17.3 Each of the Trustee and the Delegate is exempted from (i) any liability in respect of any loss or theft of the Trust Assets or any cash, (ii) any obligation to insure the Trust Assets or any cash and (iii) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing Law

The Declaration of Trust and the Certificates (including any non-contractual obligations arising out of or in connection with the Declaration of Trust and the Certificates) are governed by, and shall be construed in accordance with, English law.

19.2 Consent

Each of the Issuer and Luxembourg irrevocably and generally consents in respect of any suit, action or proceedings arising out of or in connection with the Declaration of Trust and the Certificates to the giving of any relief or the issue of any process in connection with those proceedings including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those proceedings (except that the obligations of the Issuer and Luxembourg may not be subject to enforcement by way of attachment, seizure, garnishment or any other compulsory enforcement against their properties or assets located within Luxembourg unless those properties or assets are manifestly of no use to the performance of the public service duties of Luxembourg or for the continuity of any public service).

19.3 Waiver of Immunity

Subject to the exception in Condition 19.2 above, each of the Issuer and Luxembourg irrevocably agrees not to claim and waives in connection with any proceedings which may be commenced in any of such courts with respect to the Declaration of Trust and the Certificates, any immunity which it might be entitled to claim for itself or which might be attributed to it (whether on grounds of sovereignty or otherwise) from suit, from the jurisdiction of such courts, from attachment prior to judgment, from set-off (to the fullest extent permitted by applicable law), from attachment in aid of execution of a judgment or from execution of a judgment or from the giving of any other relief or issue of any process.

19.4 **Submission to Jurisdiction**

The courts of Luxembourg are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Declaration of Trust and the Certificates, or any non-contractual obligations arising out of or in connection with the Declaration of Trust and the Certificates, and accordingly any legal action or proceedings in respect of any such dispute may only be brought in such courts.

19.5 **Waiver of Interest**

Each of the Issuer, the Trustee, Luxembourg and the Delegate has irrevocably agreed in the Declaration of Trust that if any proceedings are brought by or on behalf of a party under the Declaration of Trust and in respect of the Certificates it will:

- (a) not claim any judgment interest (*intérêts moratoires*) under, or in connection with, such proceedings; and
- (b) to the fullest extent permitted by law, waive all and any entitlement it may have to judgment interest (*intérêts moratoires*) awarded in its favour as a result of such proceedings.

GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Certificates in respect of which it is issued whilst they are represented by the Global Certificate, some of which modify the effect of the Conditions. Unless otherwise defined, terms defined in the Conditions have the same meaning in paragraphs 1 to 7 below.

1. Holders

For so long as all of the Certificates are represented by the Global Certificate and the Global Certificate is deposited with LuxCSD, each person who is for the time being shown in the records of LuxCSD as the holder of a particular aggregate face amount of such Certificates (each, a **Holder**) (in which regard any certificate or other document issued by LuxCSD as to the aggregate face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of such aggregate face amount of such Certificates (and the expression **Certificateholders** and references to **holding of Certificates** and to **holder of Certificates** shall be construed accordingly) for all purposes other than with respect to payments on such Certificates, the right to which shall be vested, as against the Issuer and the Delegate, solely in the registered holder of the Global Certificate in accordance with and subject to its terms. Each Holder must look solely to LuxCSD, for its share of each payment made to the registered holder of the Global Certificate.

2. Cancellation

Cancellation of any Certificate represented by the Global Certificate will be effected by a reduction in the aggregate face amount of the Certificates in the Register.

3. Payments

Payments of the Dissolution Distribution Amount in respect of Certificates represented by the Global Certificate will be made upon presentation and surrender of the Global Certificate to or to the order of the Registrar or such other Agent as shall have been notified to the holder of the Global Certificate for such purpose.

Distributions of amounts with respect to book-entry interests in the Certificates held through LuxCSD will be credited to the cash accounts of its participants in accordance with LuxCSD's rules and procedures.

A record of each payment made in respect of the Certificates will be entered into the Register by or on behalf of the Registrar and shall be *prima facie* evidence that payment has been made.

4. Notices

So long as all the Certificates are represented by the Global Certificate and the Global Certificate is deposited with LuxCSD, notices to Certificateholders may be given by delivery of the relevant notice to LuxCSD for communication to entitled Holders in substitution for notification as required by the Conditions except that, so long as the Certificates are listed on any stock exchange, notices shall also be published in accordance with the rules of such stock exchange and, so long as the Certificates are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notices shall be published on the Luxembourg Stock Exchange's website (www.bourse.lu). Any such notice shall be deemed to have been given to the Certificateholders on the day after the day on which such notice is delivered to the relevant clearing systems.

5. Registration of Title

The Registrar will not register title to the Certificates in a name other than that of a nominee for LuxCSD for a period of seven calendar days preceding the due date for any payment of any Periodic Distribution Amount or the Dissolution Distribution Amount in respect of the Certificates.

6. Transfers

Transfers of book-entry interests in the Certificates will be effected through the records of LuxCSD and its direct and indirect participants in accordance with its rules and procedures.

7. Exchange for Definitive Certificates

Interests in the Global Certificate will be exchanged for Certificates in definitive form (**Definitive Certificates**) upon the occurrence of an Exchange Event.

For these purposes, **Exchange Event** means that (a) the Delegate has given notice in accordance with Condition 12 that a Dissolution Event has occurred and is continuing or (b) the Issuer has been notified that LuxCSD has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor or alternative clearing system satisfactory to the Delegate is available. Upon the occurrence of an Exchange Event (and provided that, in the case of paragraph (a) of the definition of Exchange Event, a Rescission Notice has not been delivered), the Issuer will issue Definitive Certificates in exchange for the whole of the Global Certificate within 30 days of the occurrence of the relevant Exchange Event upon presentation of the Global Certificate by the person in whose name it is registered in the Register on any day (other than a Saturday or Sunday) on which banks are open for business in the city in which the Registrar has its specified office.

USE OF PROCEEDS

The net proceeds of the issue of the Certificates, amounting to approximately €199,845,000, will be paid by the Issuer on the Closing Date to the Seller as the purchase price for the Lease Assets.

DESCRIPTION OF THE ISSUER

General

The Issuer is a public limited liability company (*société anonyme*) incorporated in the Grand Duchy of Luxembourg with unlimited duration on 23 July 2014 and registered with the Luxembourg trade and companies register under number B188869.

The articles of association of the Issuer (the **Articles**) were published in the *Mémorial C, Recueil des Sociétés et Associations* on 29 July 2014.

The registered office of the Issuer is at 42, rue de la Vallée, L-2661 Luxembourg, the Grand Duchy of Luxembourg. The telephone number of the Issuer is +352 2478 2643 and the fax number of the Issuer is +352 47 52 41.

The subscribed share capital of the Issuer is EUR31,000 divided into 310 ordinary shares with a par value of EUR100 each (**Issuer Shares**), all of which are fully paid. All the issued Issuer Shares are held by the State of the Grand Duchy of Luxembourg.

Principal activities of the Issuer

The principal activities of the Issuer are those which are set out in the Issuer's corporate objects clause, which is clause 4 of the Articles.

The corporate objects of the Issuer are to provide financing to the State of the Grand Duchy of Luxembourg. To this end, the Issuer is entitled to raise funds by issuing financial instruments in the form of trust certificates. To achieve this overall purpose, the Issuer may take such actions and enter into such agreements as the Issuer's board of directors deems necessary or useful for the furtherance of the Issuer's objects, including (but not limited to):

- (a) the acquisition of real estate assets from the State of the Grand Duchy of Luxembourg using the proceeds received from the issuance of trust certificates;
- (b) the entry into of lease contracts in respect of the real estate assets so acquired and the disposal of the real estate assets back to the State of the Grand Duchy of Luxembourg pursuant to a purchase undertaking or a similar arrangement; and
- (c) acting as agent or trustee of the holders of the trust certificates and holding real estate assets for the benefit of such holders.

The descriptions above are to be understood in their broadest sense and the Issuer is authorised to do all that is connected directly or indirectly to the above. The corporate objects of the Issuer shall include any transaction or agreement which is entered into by the Issuer, provided that it is not inconsistent with the foregoing enumerated objects.

Capitalisation

The following table sets out the capitalisation of the Issuer as of the date of this Information Memorandum.

Shareholders' Funds:

Share capital (Issued 310 ordinary shares with a par value of EUR100 each)	EUR 31,000
Total Capitalisation	EUR 31,000

Indebtedness

As at the date of this Information Memorandum, the Issuer has no indebtedness.

Administration, Management and Supervisory Bodies

The Issuer is managed by its board of directors who are appointed by the shareholder of the Issuer. The directors of the Issuer are as follows:

<i>Director</i>	<i>Principal outside activities</i>
Mr Jean-Marie Bettinger	Employee of Experta Corporate Trust Services SA
Ms Marie-Jeanne Conter	Civil servant
Mrs Isabelle Goubin	Civil servant
Mr Jean Leyder	Civil servant
Mr Etienne Reuter	Civil servant
Mr Charles Ries	Civil servant
Mr Tom Weisgerber	Civil servant

The business address of Mrs Isabelle Goubin, Mr Charles Ries and Ms Marie-Jeanne Conter is at 3, rue du St Esprit, L-1475 Luxembourg; the business address of Mr Jean Leyder is at 10, rue du St Esprit, L-2011 Luxembourg; the business address of Mr Etienne Reuter is at 3, rue de la Congrégation, L-1352 Luxembourg; the business address of Mr Tom Weisgerber is at 4, Place de l'Europe, L-1499 Luxembourg; and the business address of Mr Jean-Marie Bettinger is at 42, rue de la Vallée, L-2661 Luxembourg.

Experta Corporate Trust Services SA, Luxembourg acts as the domiciliation agent of the Issuer (the **Domiciliation Agent**). The office of the Domiciliation Agent, which will serve as the registered office of the Issuer, is located at 42, rue de la Vallée, L-2661 Luxembourg. Pursuant to the terms of the domiciliation agreement dated 16 September 2014 and entered into between the Domiciliation Agent and the Issuer, the Domiciliation Agent will perform in Luxembourg certain administrative, accounting and related services.

No corporate governance regime to which the Issuer would be subject exists in Luxembourg as of the date of this Information Memorandum.

Financial Statements

The financial year of the Issuer is the calendar year (save that the first financial year is from the date of incorporation to 31 December 2014).

The Issuer's first audited financial statements will be prepared in respect of the period ending on 31 December 2014 in accordance with Luxembourg generally accepted accounting principles. The Issuer has not prepared, and does not intend to prepare, any interim financial statements.

Set out below is an opening balance sheet of the Issuer as at the date of its incorporation. No financial statements of the Issuer have been drawn up (and audited) for any period since its incorporation.

EUR
(unaudited)

ASSETS

Current assets

Cash at bank

31,000

TOTAL ASSETS

31,000

LIABILITIES

Capital and reserves

Subscribed capital

31,000

TOTAL LIABILITIES

31,000

In accordance with articles 72, 74 and 75 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended, the Issuer is obliged to publish its annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of the shareholders. The ordinary general meeting of shareholders takes place annually on the third Wednesday in March of each year or, if such day is not a business day for banks in Luxembourg, the next following business day at 10.00 a.m. at the registered office of the Issuer or at such other place as may be specified in the convening notice. The first ordinary general meeting of shareholders is scheduled to take place in 2015.

Any published annual audited financial statements prepared for the Issuer will be obtainable free of charge from the registered office of the Issuer.

The Issuer has not commenced operations since its date of incorporation and no financial statements have been made as of the date hereof.

Statutory Auditors

The statutory audit firm (*cabinet de révision agréé*) of the Issuer, which has been appointed by a resolution of the sole shareholder of the Issuer dated 23 July 2014, is KPMG Luxembourg S.à r.l. (the **Statutory Auditor**), having its registered address is at 9, allée Scheffer, L-2520 Luxembourg. The Statutory Auditor is a member of the Luxembourg institute of auditors (*Institut des réviseurs d'entreprises*).

INFORMATION ON THE GRAND DUCHY OF LUXEMBOURG

For information on the Grand Duchy of Luxembourg, investors should refer to the booklet entitled "2014 Luxembourg in figures" edited by STATEC and available on the following website:
<http://www.statistiques.public.lu/en/publications/series/lux-figures/index.html>.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions).

Purchase Agreement

The Purchase Agreement will be entered into on the Closing Date between the Trustee (in its capacity as Purchaser) and Luxembourg (in its capacity as Seller) and will be governed by Luxembourg law.

Pursuant to the Purchase Agreement, the Seller will sell and assign to the Purchaser, and the Purchaser will purchase from the Seller, and accept the assignment of, on the date of the Purchase Agreement the land and buildings described in the Purchase Agreement (including certain leasehold land interests and building rights (*droit de superficie*)) for €200,000,000, which shall be payable on the Closing Date, free and clear of any encumbrance or other rights of third parties (other than the easements (*servitudes*) detailed in the Purchase Agreement). The assets the subject of the Purchase Agreement comprise certain land and buildings used as offices and archiving (including parking) space for civil and governmental administrative purposes, the details of which are set out in the Purchase Agreement (see “*Structure Diagram and Cash Flows - Principal cash flows - Payments by the Certificateholders and the Issuer*”).

Lease Agreement

The Lease Agreement will be entered into on the Closing Date between Luxembourg (in its capacity as Lessee), the Trustee (in its capacity as Lessor) and the Delegate and will be governed by Luxembourg law.

Under the terms of the Lease Agreement, the Lessor will lease to the Lessee, and the Lessee will lease from the Lessor, the assets purchased pursuant to the Purchase Agreement (the **Lease Assets**) on the basis of consecutive 12 month rental periods for a cumulative period commencing on the Closing Date and extending to the Scheduled Dissolution Date.

The Lessee will agree to use the Lease Assets at its own risk. Accordingly, under the terms of the Lease Agreement the Lessee shall bear the entire risk of loss of or damage to the Lease Assets or any part thereof arising from the negligent usage or operation thereof by the Lessee. In addition, the Lessor shall not be liable (and the Lessee will waive any claim or right, howsoever arising, to the contrary) for any indirect, consequential or other losses, howsoever arising, in connection with the Lessee's negligent use or operation of the Lease Assets.

The Lessee shall, at its own cost and expense, be responsible for the performance of all Ordinary Maintenance and Repair (as defined in the Lease Agreement) required for the Lease Assets.

The Lessor shall be responsible for (i) the performance of all Major Maintenance and Structural Repair (as defined in the Lease Agreement), (ii) the payment of any proprietorship or other relevant taxes and (iii) insuring the Lease Assets, and the Lessee has acknowledged that the Lessor may procure that the Servicing Agent, in accordance with the terms and conditions set out in the Servicing Agency Agreement, shall perform, or shall procure the performance of, the Major Maintenance and Structural Repair, the payment of such taxes and the insurance of the Lease Assets, in each case on behalf of the Lessor.

All payments by the Lessee to the Lessor under the Lease Agreement shall be paid in full without any deduction or withholding for or on account of any tax unless required by law and without set-off (save in respect of the set-off of any Services Charge Amount (as defined in the Servicing Agency Agreement) against the payment of any Supplementary Rental (as defined in the Lease Agreement) as provided in the Servicing Agency Agreement) or counterclaim of any kind and, in the event that there is any deduction or withholding for or on account of tax, the Lessee shall pay all additional amounts as will result in the receipt by the Lessor of such net amounts as would have been received by it if

no deduction or withholding had been made. The payment obligations of the Lessee under the Lease Agreement are and will be direct, unconditional, unsubordinated and unsecured obligations of the Lessee and (save for such mandatory exceptions as may be provided by applicable legislation and regulations) shall at all times rank at least *pari passu* with all other direct, unsecured, unsubordinated and unconditional obligations of the Lessee.

The rental payable under the Lease Agreement will provide for the payment of the Periodic Distribution Amounts payable on the Periodic Distribution Dates. The Lessee will be obligated to pay such rentals on each Periodic Distribution Date or any earlier date on which the lease of the Lease Assets is terminated in accordance with the terms of the Lease Agreement.

The Lease Agreement provides that if a Total Loss Event occurs then (unless the Lease Assets are replaced as provided in the Servicing Agency Agreement by the 30th day after the occurrence of the Total Loss Event) the Lease shall automatically terminate (and be deemed to have terminated on the date of such Total Loss Event), but without prejudice to any right or remedy the Lessor may have under any Transaction Document or by law and, in such event, the Lessor will be entitled to all insurance proceeds payable as a result of the Total Loss Event.

The Declaration of Trust

The Declaration of Trust will be entered into on 7 October 2014 between Luxembourg, the Issuer, the Trustee and the Delegate and will be governed by English law.

Pursuant to the Declaration of Trust, the Trustee will declare the Trust for the benefit of the Certificateholders over all of its rights, title, interest and benefit, present and future, in, to and under the Lease Assets and the Transaction Documents (other than in relation to any representations given to the Trustee by Luxembourg pursuant to any of the Transaction Documents), all monies standing to the credit of the Transaction Account from time to time and all proceeds of the foregoing.

Pursuant to the Declaration of Trust, the Trustee will, in relation to the Certificates, *inter alia*:

- (a) hold the Trust Assets on trust absolutely for the Certificateholders as owners and beneficiaries *pro rata* according to the face amount of Certificates held by each Certificateholder; and
- (b) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust.

In the Declaration of Trust, the Trustee by way of security for the performance of all covenants, obligations and duties of the Trustee will irrevocably and unconditionally appoint the Delegate to be its delegate and attorney and in its name and on its behalf execute, deliver and perfect all documents and to exercise all of the present and future powers, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to sub-delegate and to make any determinations to be made under the Declaration of Trust) vested in the Trustee by the Declaration of Trust that the Delegate may consider to be necessary or desirable in order to perform the present and future duties, powers, authorities and discretions vested in the Trustee by the relevant provisions of the Declaration of Trust (provided that no obligations, duties or covenants of the Trustee pursuant to the Declaration of Trust shall be imposed on the Delegate by virtue of such delegation) and make such distributions from the Trust Assets as the Trustee is bound to make in accordance with the Declaration of Trust. The appointment of such delegate by the Trustee is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as trustee.

The Delegate will undertake in the Declaration of Trust that, as soon as practicable upon receiving notice pursuant to the Declaration of Trust of the occurrence of a Dissolution Event in respect of any Certificates or otherwise upon becoming aware thereof and subject to Condition 12, it shall (a) notify the Certificateholders of the occurrence of such Dissolution Event with a request to such Certificateholders to indicate if they wish the Certificates to be redeemed, the Trust to be dissolved and (subject to no Rescission Notice having been given) the Delegate to enforce the provisions of the Purchase Undertaking against the Obligor in the event that, upon becoming due and payable pursuant to Condition 12, any amount is not paid in full when due, and (b) if so directed or requested (i) by a Resolution provided that such

Resolution is passed by persons holding or representing not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding or (ii) in writing by the holders of not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding, the Delegate shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give a Dissolution Notice in accordance with Condition 12.

Upon the occurrence and continuation of a Dissolution Event, and further to the giving of a Dissolution Notice and subject to no Rescission Notice having been given, to the extent that any amount has become due and payable in accordance with Condition 12 but is not paid in full when due, the Delegate, subject to it being indemnified and/or secured and/or prefunded to its satisfaction and if so directed or requested to do so in accordance with the terms of the Declaration of Trust by the Certificateholders, shall (acting for the benefit of the Certificateholders) as soon as reasonably practicable enforce the provisions of the Purchase Undertaking against the Obligor.

The Declaration of Trust specifies, *inter alia*, that:

- (i) following the distribution in full of the proceeds of the Trust Assets in respect of the Certificates to the Certificateholders in accordance with the Conditions and the Declaration of Trust, neither the Trustee nor the Delegate shall be liable for any further sums and, accordingly, the Certificateholders may not take any action against the Issuer, the Trustee, the Delegate or any other person to recover any such sum in respect of the Certificates or the Trust Assets;
- (ii) no Certificateholder shall be entitled to proceed directly against the Issuer and/or Luxembourg unless the Delegate having become bound so to proceed, fails to do so within a reasonable period of becoming so bound and such failure is continuing. Under no circumstances shall the Delegate or any Certificateholders have any right to cause the sale or other disposition of any of the Trust Assets (other than pursuant to the Purchase Undertaking), and the sole right of the Trustee, the Delegate and the Certificateholders against the Issuer and Luxembourg shall be to enforce their respective obligations under the Transaction Documents;
- (iii) the Delegate shall not be bound in any circumstances to take any action, step or proceeding to enforce or realise the Trust Assets or take any action, step or proceeding against the Issuer and/or Luxembourg under any Transaction Document unless (i) it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing and (ii) only if (other than where a Dissolution Notice has been given by the Delegate and the Delegate has been directed or requested to do so by the Certificateholders in accordance with the terms of the Declaration of Trust and subject to there having been no Rescission Notice) directed or requested to do so (a) by a Resolution provided that such Resolution is passed by persons holding or representing not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding or (b) in writing by the holders of not less than 25 per cent. of the aggregate face amount of the Certificates then outstanding; and
- (iv) after enforcing or realising the Trust Assets and distributing the proceeds of the Trust Assets in accordance with Condition 4.2 and the terms of the Declaration of Trust, the obligations of the Issuer in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Issuer, the Trustee, the Delegate or any other person to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished.

Purchase Undertaking

The Purchase Undertaking will be executed on the Closing Date by the Obligor in favour of the Trustee and the Delegate and will be governed by Luxembourg law.

The Obligor will irrevocably and unconditionally undertake in favour of the Trustee and the Delegate to purchase the Lease Assets from the Trustee on the Scheduled Dissolution Date or any earlier due date for dissolution following the occurrence of a Dissolution Event, as the case may be, at the Exercise Price (being the aggregate face amount of the Certificates then outstanding plus all accrued but unpaid Periodic Distribution Amounts (if any) relating to the Certificates plus any Servicing Agency Expenses in respect of which a Supplementary Rental payment has not been

made in accordance with the Lease Agreement). If the Delegate exercises its option prior to the Scheduled Dissolution Date, an exercise notice will be required to be delivered by the Delegate to the Obligor under the Purchase Undertaking.

Pursuant to the Purchase Undertaking, if the Obligor fails to pay all or part of any Exercise Price when due (the **Outstanding Exercise Price**), then the Trustee shall remain the owner, and the Obligor shall remain in possession, of the Lease Assets until payment in full of the Outstanding Exercise Price has been made by the Obligor to the Trustee, and the Obligor will irrevocably and unconditionally acknowledge and agree that until such payment has been made it shall remain liable for the continued payment of Rental (as defined in the Lease Agreement) in respect of the Lease Assets and for the performance of the Servicing Agent's obligations in respect of the Lease Assets, and shall pay such Rental and perform such Services (as defined in the Servicing Agency Agreement) as if it continued to lease the Lease Assets from the Trustee and act as servicing agent in respect of the Lease Assets with effect from the date immediately following the due date for payment of the Outstanding Exercise Price until payment of the Exercise Price in full is made by it.

The Obligor will agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking will be made without any deduction or withholding for or on account of tax unless required by law and without set-off (save as described in "– *Lease Agreement*" above) or counterclaim of any kind and, in the event that there is any deduction or withholding for or on account of tax, the Obligor shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no deduction or withholding had been made. The payment obligations of the Obligor under the Purchase Undertaking are and will be direct, unconditional, unsubordinated and unsecured obligations of the Obligor and (save for such mandatory exceptions as may be provided by applicable legislation and regulations) shall at all times rank at least *pari passu* with all other direct, unsecured, unsubordinated and unconditional obligations of the Obligor.

The Obligor has agreed in the Purchase Undertaking that each of the following events shall constitute a Luxembourg Event:

- (a) the failure to pay on the due date any Exercise Price payable by Luxembourg pursuant to the Purchase Undertaking and Total Loss Shortfall Amount payable by Luxembourg pursuant to the Servicing Agency Agreement and for more than fourteen (14) days with respect to Rental due by Luxembourg under the Lease Agreement (including payment of any additional amount of Rental pursuant to the Lease Agreement in respect of any additional amounts payable by the Issuer under Condition 9); and
- (b) the failure by Luxembourg to execute any provision of the Purchase Undertaking or the Declaration of Trust if, where it is not clearly impossible to remedy such failure, it is not remedied within ninety (90) calendar days from the receipt by Luxembourg of written notice from the Trustee (or the Delegate) of that failure.

Substitution and Transfer Undertaking

The Substitution and Transfer Undertaking will be executed on the Closing Date by the Trustee in favour of Luxembourg and will be governed by Luxembourg law.

Pursuant to the Substitution and Transfer Undertaking, Luxembourg may, by exercising its rights under the Substitution and Transfer Undertaking, oblige the Trustee to transfer the relevant Lease Assets to Luxembourg on (i) their substitution with assets of a value not less than the aggregate value of such Lease Assets or (ii) the delivery to the Principal Paying Agent for cancellation of Certificates with an aggregate face amount equal to the value of such Lease Assets.

Servicing Agency Agreement

The Servicing Agency Agreement will be entered into on the Closing Date by Luxembourg (in its capacity as Servicing Agent) and the Trustee (in its capacity as Lessor) and will be governed by Luxembourg law.

Pursuant to the Servicing Agency Agreement, the Servicing Agent will be responsible on behalf of the Lessor for carrying out all Major Maintenance and Structural Repair (as defined in the Lease Agreement), the payment of

proprietorship taxes levied or imposed on the Lease Assets and for effecting all appropriate insurances in respect of the Lease Assets.

Notwithstanding the appointment of the Servicing Agent, the Lessee shall, at its own cost and expense, be responsible for the performance of all Ordinary Maintenance and Repair (as defined in the Lease Agreement) required for the Lease Assets.

The Servicing Agency Agreement provides that if on the occurrence of a Total Loss Event the Servicing Agent receives notice from Luxembourg that replacement assets are available on or before the 30th day after the occurrence of the Total Loss Event, the Trustee shall purchase such replacement assets from Luxembourg by way of the payment by the Servicing Agent on behalf of the Trustee of the relevant insurance proceeds (or the assignment of the rights to such insurance proceeds) to Luxembourg and the transfer to Luxembourg by the Trustee of any residual interest it may hold in the Lease Assets (including any remaining rights in respect of any insurance proceeds).

TAXATION

The following is a general description of certain tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates. Prospective purchasers of the Certificates should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes of acquiring, holding and disposing of the Certificates and receiving payments under the Certificates. This summary is based upon the law as in effect on the date of this Information Memorandum and is subject to any change in law that may take effect after such date.

Grand Duchy of Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective Certificateholders should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident Certificateholders

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the **Savings Laws**), there is no withholding tax on payments of principal, premium or interest made to non-resident Certificateholders, nor on accrued but unpaid interest in respect of the Certificates, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Certificates held by non-resident Certificateholders.

Under the Savings Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the **Savings Directive**) and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Savings Laws) resident in, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Certificates coming within the scope of the Savings Laws will be subject to a withholding tax at a rate of 35%.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

(ii) Resident Certificateholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg Certificateholders, nor on accrued but unpaid interest in respect of the Certificates, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Certificates held by Luxembourg resident Certificateholders.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the Savings Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10%. 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 will be assumed by the Luxembourg paying agent. Payments of interest under the Certificates coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10%.

EU Savings Directive

Under the Savings Directive, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income, which may include Periodic Distribution Amounts, paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Certificates (including secondary market transactions) in certain circumstances.

Under the Commission's 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 the Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Certificates.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

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

SUBSCRIPTION AND SALE

Under the terms and conditions contained in an Underwriting Agreement (the **Underwriting Agreement**) dated 2 October 2014 between the Issuer, Luxembourg and BNP Paribas, HSBC Bank plc, Banque Internationale à Luxembourg S.A. and QInvest LLC (together, the **Managers**), the Issuer has agreed to issue and sell to the Managers €200,000,000 in aggregate face amount of the Certificates and, subject to certain conditions, the Managers have jointly and severally agreed to subscribe for the Certificates.

The Underwriting Agreement provides that the obligations of the Managers to pay for and accept delivery of the Certificates are subject to certain conditions. Pursuant to the Underwriting Agreement, the Managers will be paid certain commissions in respect of their services for managing the issue and sale of the Certificates. The Managers will also be reimbursed in respect of certain of their expenses, and each of the Issuer and Luxembourg has agreed to indemnify the Managers against certain liabilities incurred in connection with the issue, offer and sale of the Certificates.

Selling Restrictions

United States

The Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Manager has represented that it has offered or sold, and agreed that it will offer or sell, the Certificates (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates, nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Certificates, and it and they have complied and will comply with the offering restriction requirements of Regulation S. Each Manager has agreed that, at or prior to confirmation of sale of the Certificates, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Certificates from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the **Securities Act**) and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (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 issue date of the securities, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

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 the Certificates, an offer or sale of the Certificates within the United States by any dealer (whether or not participating in the offering of the Certificates) may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (a) 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 Financial Services and Markets Act 2000 (the **FSMA**) received by it in connection with the issue or sale of any Certificate in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or Luxembourg; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Certificates in, from or otherwise involving the United Kingdom.

Kingdom of Bahrain

Each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an **accredited investor** means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Malaysia

Each Manager has represented and agreed that:

- (a) this Information Memorandum has not been registered as a prospectus with the Securities Commission of Malaysia (the **SC**) under the CMSA. While a copy of this Information Memorandum will be deposited with the SC, the SC takes no responsibility for its content; and
- (b) accordingly, the Certificates have not been and will not be offered or sold, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Schedule 6 (or Section 229(1)(b)), Schedule 7 (or Section 230(1)(b)) and Schedule 8 (or Section 257(3)) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the SC and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Managers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a **Saudi Investor**) who acquires Certificates pursuant to an offering should note that the offer of Certificates is an offer to "Sophisticated Investors" (as defined in Article 10 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority (the **CMA**) resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the CMA resolution number 1-28-2008 dated 18 August 2008 (the **KSA Regulations**)) for the purposes of Article 9 of the KSA Regulations through a person authorised by the CMA to carry on the securities activity of arranging (as specified in Article 12 of the KSA Regulations) and following a notification to the CMA under and in accordance with the KSA regulations.

Each Manager has represented and agreed that the offer of the Certificates will only be directed at Sophisticated Investors in accordance with the KSA Regulations.

The offer of Certificates shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Certificates as a Sophisticated Investor may not offer or sell those Certificates to any person unless the offer or

sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and: (a) the Certificates are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Certificates in any one transaction is equal to or exceeds SR 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**). Accordingly, each Manager has represented and agreed that it has not offered or sold and will not offer or sell any Certificates or cause such Certificates to be made the subject of an invitation for subscription or purchase, nor will it circulate or distribute this Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Certificates, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor pursuant to Section 274 of the SFA, (b) to a relevant person pursuant to Section 275(1), 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 (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Certificates 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 (as defined in Section 239(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 Certificates pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, 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 32 of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

State of Qatar

Each Manager has represented and agreed that it has not offered, delivered or sold, and will not offer, deliver or sell, directly or indirectly, any Certificates in the State of Qatar including the Qatar Financial Centre, except (a) in compliance with all applicable laws and regulations of the State of Qatar including the Qatar Financial Centre; and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar. This Information Memorandum has not been and will not be registered with, reviewed or approved by the Qatar Financial Centre Regulatory Authority, the Qatar Central Bank or the Qatar Financial Markets Authority and is only intended for specific recipients in compliance with the foregoing. It is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Manager has represented and agreed that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Manager has represented and agreed that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the **DFSA**); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Hong Kong

Each Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **Companies Ordinance**) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Switzerland

Each Manager has acknowledged that the Information Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Certificates. Accordingly, each Manager has represented and agreed that:

- (a) it has not publicly offered, sold or advertised, and will not publicly offer, sell or advertise, directly or indirectly, any Certificates in, into or from Switzerland and the Certificates will not be listed on the SIX Swiss Exchange Ltd or on any other exchange or regulated trading facility in Switzerland; and
- (b) neither this Information Memorandum nor any other offering or marketing material relating to the Certificates constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd or any other regulated trading facility in Switzerland and neither this Information Memorandum nor any other offering or marketing material relating to the Certificates has been or will be publicly distributed or otherwise made publicly available in Switzerland.

Neither the Information Memorandum nor any other offering or marketing material relating to the offering, the Issuer or the Certificates have been or will be filed with or approved by the Swiss regulatory authority. The Certificates are not

subject to the supervision by the Swiss Federal Market Supervisory Authority (FINMA), and investors in the Certificates will not benefit from protection or supervision by FINMA.

General

Each Manager has agreed that it will comply, to the best of its knowledge and belief, with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Certificates or possesses or distributes this Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, Luxembourg, the Trustee, the Delegate and any Manager shall have any responsibility therefor.

None of the Issuer, Luxembourg, the Trustee, the Delegate and any of the Managers represents that the Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale. Persons into whose possession this Information Memorandum or any Certificates may come must inform themselves about, and observe, any applicable restrictions on the distribution of this Information Memorandum and the offering and sale of the Certificates.

GENERAL INFORMATION

Authorisation

The issue of the Certificates and the entry into of the Transaction Documents to which it is a party has been duly authorised by a resolution of the Board of Directors of the Issuer dated 9 September 2014. The Issuer has obtained all necessary consents, approvals and authorisations in Luxembourg in connection with the issue and performance of the Certificates and the execution and performance of such Transaction Documents. The entry into the Transaction Documents to which Luxembourg is a party has been duly authorised by the Luxembourg Act dated 12 July 2014 (as published in the Luxembourg official gazette N°121 of 15 July 2014).

Listing

Application has been made to the Luxembourg Stock Exchange for the admission of the Certificates to the Official List and to trading on the Euro MTF Market.

Documents Available

For so long as any Certificates remain outstanding, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection free of charge at the offices of the Issuer and the Paying Agent in Luxembourg:

- (a) the Transaction Documents;
- (b) the Articles of Association of the Issuer; and
- (c) this Information Memorandum.

This Information Memorandum will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the State Treasury (*Trésorerie de l'État*) (www.te.public.lu).

Clearing System

The Certificates have been accepted for clearance through LuxCSD. The Certificates are also eligible for clearance and settlement through Clearstream Banking société anonyme and Euroclear Bank SA/NV. The ISIN for the Certificates is LU1113955196. The Common Code for the Certificates is 111395519.

Managers transacting with Luxembourg

Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, Luxembourg in the ordinary course of business for which they have received, and for which they may in the future receive, fees.

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L-2661 Luxembourg
Grand Duchy of Luxembourg

OBLIGOR

Grand Duchy of Luxembourg

Trésorerie de l'État
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Grand Duchy of Luxembourg

DELEGATE

BNP Paribas Trust Corporation UK Limited

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PRINCIPAL PAYING AGENT, LUXCSD PRINCIPAL AGENT, REGISTRAR, TRANSFER AGENT AND LISTING AGENT

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