



# Definitions of terms

In addition to the definitions provided below, the term “Counterparty” refers to the entity for which the US CFTC Dodd-Frank classifications are given and “Swaps” means any FX forward, FX swap, interest rate swap and other types of over the counter derivatives.

“**U.S. Person (CFTC 2020 Rules/SEC Rules)**” means that the Counterparty that falls under any one of the categories specified below:

- (i) a natural person resident in the United States;
- (ii) a partnership, corporation, trust, investment vehicle, or other legal person organized, incorporated, or established under the laws of the United States or having its principal place of business in the United States;
- (iii) an account (whether discretionary or non-discretionary) of a U.S. person; or
- (iv) an estate of a decedent who was a resident of the United States at the time of death.

For these purposes, principal place of business means the location from which the officers, partners, or managers of the Counterparty primarily direct, control, and coordinate the activities of the Counterparty. With respect to an externally managed investment vehicle, this location is the office from which the manager of the Counterparty primarily directs, controls, and coordinates the investment activities of the Counterparty.

“**U.S. Person Categories (CFTC 2013 Interpretive Guidance)**” means that the Counterparty that falls under any one of the categories specified below:

- (i) any natural person who is a resident of the United States;
- (ii) any estate of a decedent who was a resident of the United States at the time of death;
- (iii) any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of enterprise similar to any of the foregoing (other than an entity described in prongs (iv) or (v), below) (a “**legal entity**”), in each case that is organized or incorporated under the laws of a state or other jurisdiction in the United States or having its principal place of business in the United States;
- (iv) any pension plan for the employees, officers or principals of a legal entity described in prong (iii), unless the pension plan is primarily for foreign employees of such entity;
- (v) any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust;
- (vi) any commodity pool, pooled account, investment fund, or other collective investment vehicle that is not described in prong (iii) and that is majority-owned by one or more persons described in prong (i), (ii), (iii), (iv), or (v), except any commodity pool, pooled account, investment fund, or other collective investment vehicle that is publicly offered only to non-U.S. persons and not offered to U.S. persons;
- (vii) any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) that is directly or indirectly majority-owned by one or more persons described in prong (i), (ii), (iii), (iv), or (v) and in which such person(s) bears unlimited responsibility for the obligations and liabilities of the legal entity; and
- (viii) any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in prong (i), (ii), (iii), (iv), (v), (vi), or (vii).

“**Affiliate Conduit**” means that the Counterparty exhibits the four factors outlined below:

- (i) the non-U.S. person Counterparty is a majority-owned affiliate of a U.S. person;
- (ii) the non-U.S. person Counterparty is controlling, controlled by or under common control with the U.S. person;
- (iii) the financial results of the non-U.S. person Counterparty are included in the consolidated financial statements of the U.S. person; and
- (iv) the non-U.S. person Counterparty, in the regular course of business, engages in swaps with a non-U.S. third party(ies) for the purpose of hedging or mitigating risks faced by, or to take positions on behalf of, its U.S. affiliate(s), and enters into offsetting swaps or other arrangements with its U.S. affiliate(s) in order to transfer the risks and benefits of such swaps with a third party(ies) to its U.S. affiliates.

**“Guarantee (CFTC 2020 Rules)”** means the non-U.S. person Counterparty has an arrangement pursuant to which NatWest Markets has rights of recourse against a guarantor that is a U.S. Person (CFTC 2020 Rules/SEC Rules), with respect to the Counterparty’s obligations under one or more Swaps. For these purposes, NatWest Markets has rights of recourse against a guarantor if NatWest Markets has a conditional or unconditional legally enforceable right to receive or otherwise collect, in whole or in part, payments from the guarantor with respect to the Counterparty’s obligations under one or more Swaps. In addition, in the case of any arrangement pursuant to which the guarantor has a conditional or unconditional legally enforceable right to receive or otherwise collect, in whole or in part, payments from any other guarantor that itself is a U.S. Person (CFTC 2020 Rules/SEC Rules), with respect to the Counterparty’s obligations under one or more Swaps, such arrangement will be deemed a guarantee of the Counterparty’s obligations by the other guarantor.

**“Guarantee (CFTC 2013 Interpretive Guidance)”** means an agreement or arrangement under which a third-party U.S. Person (CFTC 2013 Interpretive Guidance) commits to provide a financial backstop or funding against potential losses that may be incurred by the Counterparty in connection with a Swap with NatWest Markets.

**“Guarantee (PR Margin Rules)”** means an arrangement pursuant to which NatWest Markets has rights of recourse against a third-party guarantor that is an entity organized under the laws of the United States, with respect to its Counterparty’s obligations under one or more Swaps. For these purposes, NatWest Markets has rights of recourse against a guarantor if NatWest Markets has a conditional or unconditional legally enforceable right to receive or otherwise collect, in whole or in part, payments from the guarantor with respect to its Counterparty’s obligations under one or more Swaps. In addition, any arrangement pursuant to which the guarantor has a conditional or unconditional legally enforceable right to receive or otherwise collect, in whole or in part, payments from any other third-party guarantor that is an entity that is organized under the laws of the United States with respect to the Counterparty’s obligations under one or more Swaps, such arrangement will be deemed a guarantee of the Counterparty’s obligations by such other guarantor.

**“Significant Risk Subsidiary”** means that the Counterparty is a subsidiary of an ultimate U.S. parent entity where the ultimate U.S. parent entity has more than \$50 billion in global consolidated assets, as determined in accordance with U.S. GAAP at the end of the most recently completed fiscal year.